



HASTINGS
Technology Metals Limited

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Annual Report 2021

ASX | HAS | Australia's Next Rare Earth Producer

Table of Contents

Letter from the Chairman	page 02
Company Profile	page 06
Evolution – Yangibana project – Milestones and Upcoming Events	page 08
The Way Forward 2021 – 2023	page 10
Global Context – Market analysis	page 12
Review of Operations	page 16
Annual Ore Reserves and Mineral Resources Statement	page 24
Directors' Report	page 32
Executive Team	page 34
Corporate Governance Statement	page 48
Auditor's Independence Declaration	page 49
Consolidated Statement of Profit or Loss and Other Comprehensive Income	page 50
Consolidated Statement of Financial Position	page 51
Consolidated Statement of Changes in Equity	page 52
Consolidated Statement of Cash Flows	page 53
Notes to the Financial Statements	page 54
Directors' Declaration	page 80
Independent Auditor's Report	page 82
Additional Shareholder Information	page 87

Letter from the Chairman

Charles Lew- Executive Chairman



“ I am satisfied with the milestones we have achieved in the last 12 months despite border closures, COVID-19 lockdowns and uncertainties in many aspects of our business. ”

Dear Shareholders,

Acknowledgement of Country: We wish to acknowledge the Traditional Owners of this land upon which we operate and pay our respect to the Elders’ past, present and future for they hold the memories, the traditions, the culture, and the hopes of Aboriginal Australia.

It is my pleasure to present to you our Annual Report for the year ended 30 June 2021.

With the impact of COVID-19 being felt throughout 2020 and continuing into 2021, our ambition to become Australia’s next rare earth producer has continued as planned. I am satisfied with the milestones we have achieved in the last 12 months despite border closures, COVID-19 lockdowns and uncertainties in many aspects of our business. Regardless, we soldiered on and achieved some major milestones in the last 12 months.

The global shift towards clean energy sources and electric mobility continues to pick up momentum. As foreshadowed in previous reports, the demand for magnet rare earths, primarily neodymium (“Nd”) and praseodymium (“Pr”), has continued to grow strongly and is forecasted to increase at a compound annual growth rate of about 10% a year for this decade. Market research analysts are predicting NdPr oxides consumption to increase 5 times from US\$3 billion this year to US\$15 billion by 2030. This is due to strong demand for Electric Vehicles (“EV”) aided by favourable Government purchase incentives, stricter regulations on car exhaust emissions and an environmentally conscious consumer. Worldwide EV sales to June this year grew 140% year-on-year.

Constrained by an under-supply of NdPr oxide from 2022 onwards, Adamas Intelligence forecasts that global shortages of NdFeB (neodymium magnets) alloy and powder will amount to 48,000 tonnes annually by 2030, roughly the amount needed for some 25 to 30 million EV traction motors. This supply shortage presents Hastings with a unique opportunity as we maintain our momentum of mine development and aim to start production by 2024.

Climate related disasters such as floods, storms, droughts and heat waves have been on the rise worldwide. At the same time an increasing

concentration of greenhouse gases in the atmosphere causes average temperatures to rise and rainfall becoming more variable and extreme. Multiple scientific research have linked a connection between the increasing number of natural disasters and man-made emissions of greenhouse gases in the atmosphere. The implication is that climate mitigation and adaptation should form part of government and corporate actions for disaster risk reduction.

At Hastings, we acknowledge the detrimental effects of climate change to society and are committed to do our part in reducing greenhouse gas emissions. Along with this Annual Report we are pleased to publish our maiden Sustainability Report which marks the genesis of our sustainability road map as we progress from construction into production. It sets out our recognition of the role we play in society and the environment in which we live and work. It delineates our contribution towards the climate change agenda via our mixed rare earths carbonate product and the way in which we will operate.

Some of the key global initiatives underway that reinforce the changes seen in 2021 and beyond are:

- US government 100-day Reviews under the Biden Administration identified the need to increase the resilience of strategic and critical material supply chains that both expands sustainable production and processing capacity and works with allies and partners to ensure secure global supply;
- European Raw Materials Alliance (ERMA), launched in September 2020 is developing an action plan to build a viable permanent magnet industry in Europe to ensure that the European Union has a range of critical minerals needed for its green transition and has given high priority to building a non-China mine to magnets supply chain; and

• COP26 (the 26th Conference of Parties, a UN convention on climate change) scheduled to occur in November this year will focus on accelerating action towards the goals of the Paris Agreement (signed by 196 countries on 12 December 2015) and the UN Framework Convention on Climate Change.

Hastings has continued to pursue its objective to increase the Yangibana Rare Earths Project’s (the “Yangibana Project”) mineable reserves and mine-life. In July 2021, after completing a drill programme totalling approximately 25,000 metres, the Company announced an increase in Total Ore Reserve of 37% to 16.7 million tonnes and an 18% increase in NdPr tonnes to 158,400 tonnes. This extended the Yangibana Project’s mine-life to at least 15 years, thereby enhancing its bankability. An 8km long mineralised corridor from Bald Hill in the north through Simon’s Find to Frasers in the south was mapped out. Significant potential remains for future expansion of our resource in multiple directions within the total tenement area of 650sqkm.

In addition, the drilling data obtained further confirmed the uniqueness of the Yangibana Project’s ore body. At Simon’s Find an NdPr ratio of up to 57% of Total Rare Earth Oxide (“TREO”) provided a result unrivalled for any known rare earth’s deposit worldwide. In aggregate, the Yangibana Project’s average life of mine NdPr content of 37% (to TREO) is double the industry average and accordingly our basket price is double the industry average. This allows for a lower capital intensity and is projected to have the highest operating margin amongst its peers.

The Company flagged a decoupling of the Hydrometallurgical Plant in July 2020 to the coast. The location was confirmed in September this year when we received DevelopmentWA’s board approval to enter into an option for a

land lease within the Ashburton North Strategic Industrial Area (“ANSIA”) for a 30 year period. The site is located just outside of Onslow (in the coastal plains of the Pilbara region about 1,400km north of Perth) eliminates the requirement for a 114km lateral gas pipeline to the Yangibana Project as originally planned. It has access to piped natural gas, plentiful water supply and grid power. Hastings has received strong support from the Onslow community and will create local jobs and generate long term economic benefits.

Fundamental to securing the required project debt financing is the finalisation of binding offtake agreements for our high NdPr content of mixed rare earth carbonate (“MREC”). In April 2021, the Company executed a 10 year binding offtake contract with thyssenkrupp Materials Trading GmbH (“TK”), a well-established and internationally recognised German raw materials trading business with offices in 16 countries and core capabilities in materials trading that embrace complex logistic services for raw and finished materials along with supply chain knowledge and dependability. thyssenkrupp Materials Services, the holding company of TK, is the biggest mill-independent materials distributor and service provider in the western world with more than 480 locations in nearly 40 countries.

The binding contract with TK requires Hastings to supply 9,000 tonnes per annum of MREC (equivalent to 60% of the Yangibana Project’s annual production) for the first five years; and for the subsequent five years, 5,000

tonnes per annum of MREC (equivalent to 33% of annual production) from its rare earth mine and processing facilities. Over the 10-year period, total MREC purchase volume committed by TK amounts to 70,000 tonnes. Together with the Skyrock Rare Earth New Materials Co. Ltd (based in Baotou, China) contract signed in November 2018, Hastings has now contracted approximately 77% of its production for the first 5 years. Having signed the Master Agreement with Schaeffler in June 2020, the Company has ongoing discussions on a long-term multi-year contract to supply Schaeffler with a significant tonnage of our MREC. Schaeffler, one of the leading global Tier 1 automotive components supplier, intends to establish a non-China reliant mine to magnet supply chain with downstream processing situated in Europe.

Debt negotiations with NAIF (North Australia Infrastructure Facility), Finnvera Oyj (Finland’s Export Credit Agency), KfW IPEX Bank (German State bank) and other commercial lenders continued during the year. Significant effort in conjunction with KPMG, our mandated debt advisor, went into completing the demanding due diligence exercise. We expect the debt financing to be finalised before the end of this calendar year. The Australian government’s “Critical Minerals Strategy” and “National Manufacturing Priority Roadmap” are important initiatives which have assisted the Company in moving the project forward.

As part of the debt financing process, a revised cost fix exercise for the

Yangibana Project’s capital expenditure (“CAPEX”) is underway as this is necessary since the last exercise was conducted in mid-2019. With the recent sharp rise in commodity prices across the board, we have, in common with others in the mining industry, seen a significant increase in steel prices, labour rates, fuel and other ancillary mining equipment and services. These costs increase will inevitably have a pass-through effect on our CAPEX. We expect to complete this CAPEX review in 4Q 2021.

Earlier this year, with the strong capital market sentiments and our attractive project economics, the Company raised \$100.7 million in February through the issue of approximately 301 million new ordinary shares at \$0.19 per share. Canaccord Genuity acted as Lead Manager and Ord-Minnett acted as Co-Manager. With the strong EV thematics and rising NdPr price, the capital raise exercise generated significant interest from Australian institutions and was over-subscribed. L1 Capital, a Melbourne based global investment manager with a successful track record in natural resources and battery minerals ended up being a substantial shareholder with 7.5% equity interest in the Company.

In August last year, we raised \$14.6 million through the issue of approximately 117 million new ordinary shares at 12.5 cents per share. Both raisings were well supported by long term existing shareholders from Singapore, Malaysia, UK and Australia.

As our Yangibana Project matures, we strengthened our management team. We welcomed three senior executives during the year. Mr Bruce McFadzean who joined the Board on 1 January 2021, has more than 40 years’ experience in the global mineral resources industry. He has led the financing, development and operation of several mining projects around the world. He now chair’s the Company’s Technical and Risk Committee. Mr Matthew Allen, who joined the Company as the Chief Financial Officer on 1 February 2021, has over 25 years’ experience as a finance professional in the resources sector and he has further enhanced the team’s capability in project and corporate finance, enterprise resource planning and strategy management. Mr Nick Bennett, who has 25 years project construction management experience, joined in March as the Project Manager responsible for executing the mine and plant construction at our Yangibana site.

In addition to the above we have welcomed many other key employees to Hastings during the year who, together with those who have been with us for many years, have worked diligently in our mission of getting Yangibana into production and beyond.

The Company operates a Performance Rights Plan for its staff. This scheme which has defined milestones ensures that all qualifying employees are aligned

with shareholders as we progress towards construction and production in the coming years.

During the coming financial year, you can expect to see Hastings take further steps forward on the Yangibana Project, including:

- Project construction:
 - Undertake infrastructure site works ahead of plant construction and mine development;
 - Place orders for key equipment long lead items; and
 - Commence construction of plant and mine development.
- Project finance:
 - Secure binding credit approved commitments for project debt finance from key lenders and progress project finance documentation and execution; and
 - Review and optimise the capital structure in view of expected CAPEX increase.
- Sustainability:
 - Deliver our maiden sustainability report; and
 - Progress towards a capital markets compliant sustainability rating. I would like to take this opportunity to thank our Hastings team and my fellow Directors for their hard work,

dedication and continued focus to become Australia’s next rare earth producer. In addition, to all our shareholders, Traditional Owners and stakeholders, we appreciate your ongoing support to help us achieve our ambition.

Last but not least, I like to thank the West Australian Premier, Mark McGowan who has commended our Yangibana Project and acknowledged our commitment of bringing the mine into production in alignment with the West Australian Government’s Future Battery Industry strategy.

We look forward to the next stage of our journey which started back in 2014 with renewed energy and confidence. As we advance the Yangibana Project into the construction phase, Hastings is well timed to bring its high-grade magnets rare earth product to an emerging e-mobility market during this decade.

Our motto: One dream, one team.

Yours sincerely,



Charles Lew
Executive Chairman

“Earlier this year, with the strong capital market sentiments and our attractive project economics, the Company raised \$100.7 million in February.”

Company Profile

WHO WE ARE?

Hastings Technology Metals Limited (ASX: HAS) is an Australian rare earths Mining Company based in Perth developing the Yangibana Project to become world's next producer of neodymium and praseodymium (NdPr).

Hastings also has the Brockman project (41Mt), Australia's largest heavy rare earths deposit, near Halls Creek in the Kimberley.

WHAT WE DO?

NdPr is a critical mineral used to manufacture permanent magnets enabling the decarbonisation of our society through green mobility solutions and renewable energy technologies. Permanent magnets are used in advanced technology products ranging from Electric Vehicles, drones, wind turbines, smartphones, robotic solutions, etc.

WHERE?

Hastings' flagship Yangibana project, in the Gascoyne region of Western Australia, contains deposits with a NdPr:TREO ratio of up to 52%, unmatched anywhere in the world. The company aims to produce concentrate at the Yangibana mine site which then gets trucked 500 km away to the Pilbara coast where we plan to build a downstream Hydromet plant to produce a mixed rare earth carbonate (MREC).

WHEN?

The company has secured a major offtake contracts with Thyssenkrupp for 60% of its production (in the first 5 years) and a signed a Master Supply Agreement with Schaeffler. In February 2021, Hastings successfully raised A\$100m in equity. Hastings has now established a robust execution team and is working with external partners in a lending consortium for the project debt. Groundwork and early infrastructure programs are anticipated to commence in 2021 ahead of the first production.

Investment Highlights

RIGHT MARKET

- Hastings is on track to become Australia's next rare earths producer
- Hastings will feed a growing global demand for NdPr

- Soaring global investment in EVs is causing NdPr supply shortage. NdPr price set to be stronger and for longer

- Hastings' Yangibana project will play important role in the global clean mobility and energy revolution

- ESG investment opportunity

RIGHT PROJECT

- Yangibana hosts an outstanding rare earth Mineral Resource with exceptionally high proportion of NdPr

- High beneficiation rates and industry leading recoveries deliver a high grade final Mixed Rare Earth Carbonate (MREC) product.

- Yangibana offers a 3.5yr capital payback and ~15-year mine life

- Yangibana's development will be done at industry low capital intensity

- MREC will be produced at competitive operating costs based on a well-developed proven process flowsheet.

- Yangibana is in the Tier 1 mining jurisdiction of Western Australia

- Low sovereign risk and competitive royalties/tax structure

- Ready access to a skilled workforce

- Supportive communities with Voluntary Native Title Agreement in place

RIGHT TIMING

- Yangibana base case is fully permitted. Amendments to permits underway for improved layout

- Start-up is timed to capture global NdPr supply shortage

- Long-lead items in design and construction scheduled to start in 2H 2021

- Only new global NdPr producer ex-China forecast to enter production in 2023/2024

- NdPr price forecast is for 10yrs of growth

- Yangibana's development aligns with Federal and State government strategies committing to support Australia's critical minerals sector

RIGHT COMPANY

- Clear focus to deliver shareholder value from developing Yangibana project

- Well led by an experienced team of corporate and mining professionals

- Backed by world-class offtake partners in Germany including Thyssenkrupp and Schaeffler.

- Yangibana MREC enjoys attractive pricing due to high NdPr content (up to 52%)

- Hastings' directors are significant shareholders

- Most of the equity funding for Yangibana's development already secured

- Strong balance sheet – currently no debt

- Project finance debt arrangement in final stage

MAJOR EVENTS ANNOUNCED:

- 10-year major offtake contract signed with Thyssenkrupp (Germany)

- Successful \$100m capital raise

- L1 Capital (Melbourne) takes a substantial shareholding 7.57%

- Mineral resources tonnes increased 54%

- Hastings admitted to the S&P/ASX All Ordinaries index

NEXT CATALYSTS:

- New economic numbers - NPV and IRR of project

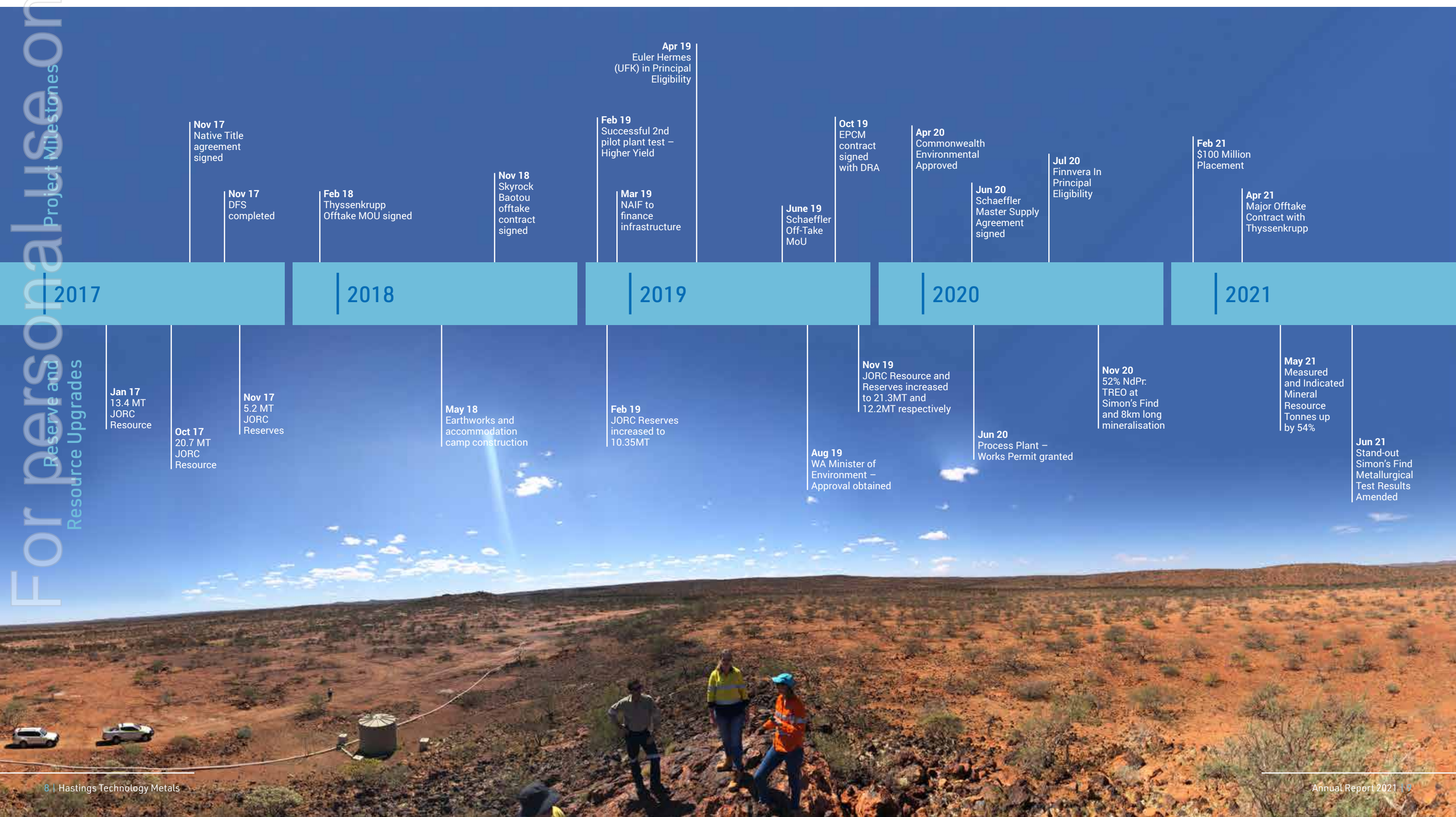
- Commencement of construction at Yangibana 3Q 2021

- Credit approval in 2021 by senior debt lenders, ie. NAIF, KFW and Finnvera

- The financial close is expected in 2022

Evolution Yangibana Project

Milestones and Upcoming Events



The Way Forward

2021 – 2023

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).

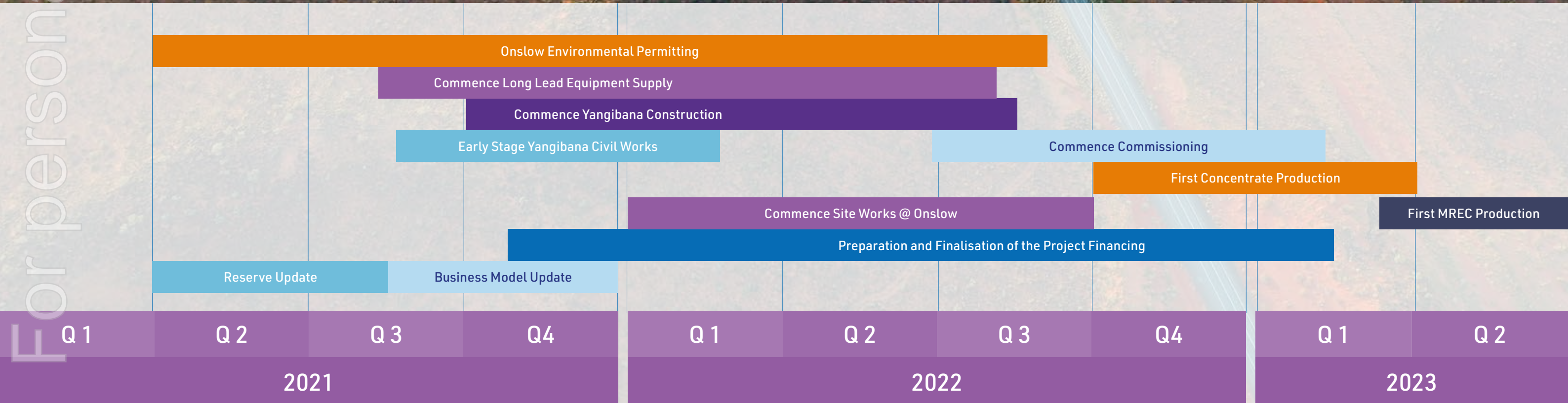
NdPr are vital components used to manufacture permanent magnets used every day in advanced technology products ranging from electric vehicles to wind turbines, robotics, medical applications, digital devices, etc. Hastings' flagship Yangibana project, in the Gascoyne region of Western Australia, contains one of the most highly valued NdPr deposits in the world with NdPr:TREO ratio of up to 52%. The site is permitted for long-life production and with offtake contracts signed and debt finance in advanced stage targeted for completion in 3Q2021. Construction is scheduled to start in mid-2021 ahead of first production in late 2023.

YANGIBANA ONSLOW PROJECT MILESTONES

2021 – 2023

Please note: this is an indicative, work-in-progress project development schedule, which depends on the outcome of the ongoing project financing discussions.

As soon as the project financing consortium is in place and all conditions for the financing are clarified the project schedule will be amended to accommodate the financing consortium requirements.



(S2 -2023-S1 2024 : Customer Product Qualification)



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Global Context Market Analysis

The rare earth market is heading to new heights and is embarking on a journey where governments and market participants are reviewing their strategies. For them, it became clearer that rare earth and in particular Neodymium and Praseodymium oxide (NdPr) are part of the critical minerals group and need adequate attention due to the fact that NdPr is a key enabler for the global decarbonisation agenda.



During the last 12 months, it has been understood that it is imperative to establish a sustainable, transparent and globally diversified NdPr supply chain. Ultimately, a NdPr is key raw material contributing in securing strategic long term economic growth and jobs.

NdPr pricing in 2021 continued on from 2020's positive price trend. In the first quarter, the price continued to increase as China, Europe, Japan, and the US recovered from the initial impact of COVID quicker than anticipated. This positive effect and the increased consumption, resulted in drawing down the inventories of the oxide and metal suppliers and amplified the already tight supply situation.

Starting at the end of March 2021 the price rally ceased and the price softened due to some traders taking profits in several regions in this world. New variants of the virus again raised concerns and caused a pandemic-induced drop in global consumption. This lasted for approximately two months before the market recovered

– fuelled by positive news about vaccines and due to strong market demand from consumer electronics (in particular from the automotive sector).

Since the beginning of June, we were headed for a new decade high, which reached a new record level on the 4th of August of 630 RMB/kg or 97,02 USD/kg NdPr oxide EXW China.

Overall, the steady, continuous price recovery during the last 12 months indicates that the market demand-supply dynamics are being recalibrated. This reflects the new market situation and reality for NdPr and NdFeB with the usual volatility effects during such transitions.

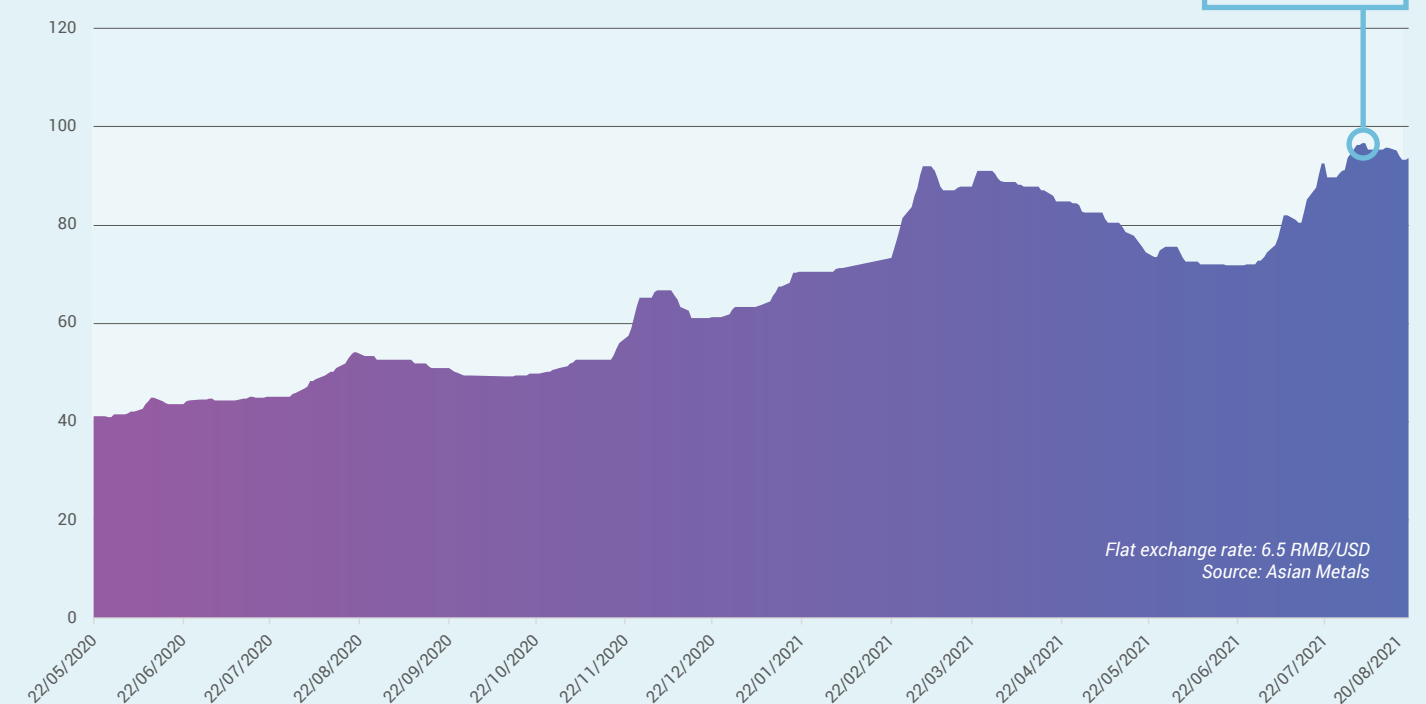
The new reality is that this price rally we are experiencing in the rare earth sector right now is not based on speculation but for the first time in history underpinned by real substantiated, industrial demand. This is caused by an ongoing fundamental shift in the global manufacturing ecosystem, which will last for the coming decades

as the global CO2 reduction agenda is here to stay and with it the electrification of our society.

This is supported by the fact that we are seeing more and more additional manufacturing capacity hitting the market, with the need to get supplied with the NdPr oxide/metal. At the same time Myanmar, as one of the rare earth producing countries, still must deal with its political and pandemic turmoils and therefore we are expecting that tight supply situation is continuing going forward combined with a continued increasing production capacity downstream.

For example, by 2023 China's manufacturers will have 336,000t NdFeB capacity, heading for 400,000t in 2025 (source: giti/sg rare earth observer). This newly +100k installed industrial capacity for magnets alone will generate a pull effect for NdPr Oxide combined with the ongoing transformation of the car manufacturers supply chains and here in particular the motor components. VW is spearheading

PrNd OXIDE Pr6011 25%, Nd203 75% EXW CHINA USD/kg



this transformation as one of the established OEMs which 100% embrace the change in the automotive industry. They have announced that they will deploy across their ID/MEB platform a rare earth NdPr/NdFeB electric motor with a production capacity of 500,000 electric motors in Kassel, which will be joined by a Chinese plant in Tianjin. Together, those two will crank 1.4 million electric drives annually from 2023 onwards, which is equivalent to an incremental annual demand of 1,400t for VW vehicles alone.

The permanent magnet NdFeB motor engine technology has the ability to produce a larger torque than competing technologies at the same values of current and voltage and more power by weight. They also suffer less electric and mechanical loss and benefit from simple rotor/stator configurations. They are smaller sizes (as much as one-third of most AC motor sizes, which makes installation and maintenance much easier), and they can maintain

full torque at low speeds. Ultimately resulting in a longer driving range due to lesser energy/battery drainage than using other engine designs.

The NdFeB/NdPr motor is ultimately enabling OEMs to design a more cost-optimised, lightweight (up to 20% smaller and lighter) vehicle and more efficient powertrain solutions with a 15-20% smaller battery at the same driving reach. This is important because a battery represents ~30% of a BEV vehicle manufacturing cost!

Therefore, in a world where raw materials including the battery become more expensive NdFeB motors are an enabler for OEMs to maintain their profitability especially in the high-volume/low profit margin vehicle segments like the Golf category (also called A and B segment) as it is a cost-efficient design. This is the reason why NdFeB/NdPr electric traction motors have a market share beyond 90% today, and in our opinion, it will remain this way for a considerable time.

When we talk about potential replacement threats, we have to consider the above facts but also should take into account the ecosystem of the automotive industry and the constraints of product approval cycles and platform cycles. This is the reason why we believe that the NdFeB motor technology remains the first choice for the coming decades.

In our opinion, the price adjustment that we are experiencing right now is the beginning of a fundamental adjustment towards the new normal as the upstream sector of rare earth did not see any significant investments in new assets which could offer a relief on the supply side in the near future.

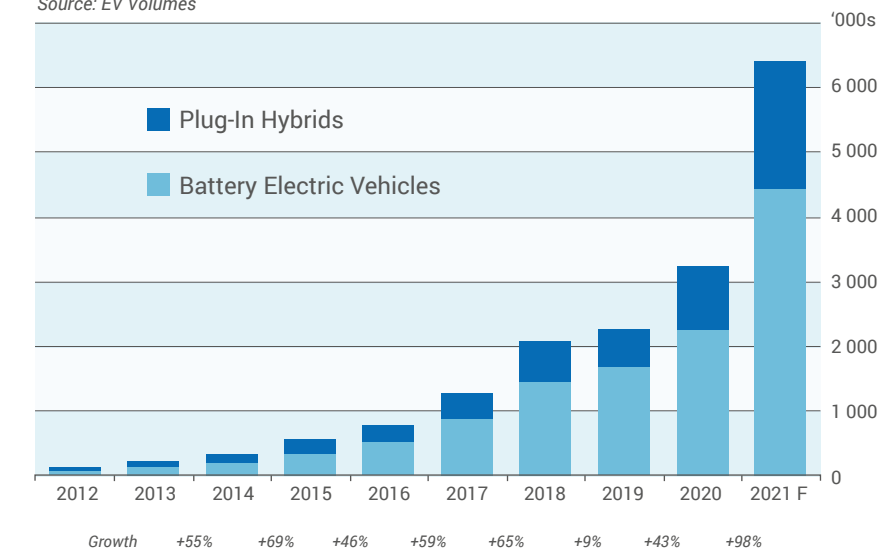
During the last 18 months, the rare earth market sentiment changed significantly, especially on the government side. We observed a positive change in the perception of the importance of rare earth as a critical raw material in Europe with the ERMA/EIT initiative, and in the US with Biden's Critical Minerals and

Materials 100-Day Supply Chain Review workstream. Here they are addressing the importance of decentralising the raw material supply chain for E-mobility. Additionally, governments in Canada and Australia also kicked off governmental workstreams to address how their countries could contribute to the decentralisation of the critical raw material supply chain globally.

Overall, the market sentiment has never been better for rare earth projects and we are bullish that this situation remains for the coming decades. Hastings wants fulfil our role as a reliable supply partner for downstream players worldwide with an ethical and sustainable transparent rare earth supply chain solution.

GLOBAL PLUG-IN VEHICLE SALES

Source: EV Volumes



“ In our opinion, the price adjustment that we are experiencing right now is the beginning of a fundamental adjustment towards the new normal as the upstream sector of rare earth did not see any significant investments. ”





“Hastings has strengthened its management team, employing a Project Manager and Earths Works Manager both with in-excess of 30 years of experience constructing and commissioning mining projects around the world.”

Review Of Operations

YANGIBANA RARE EARTHS PROJECT (The “Yangibana Project”)

OVERVIEW

The Yangibana Project’s Definitive Feasibility Study (“DFS”) was successfully completed in November 2017. In July 2020 Hastings announced that a substantial change had occurred to some of the supporting and enabling infrastructure due to the need to reduce capital costs because of COVID-19 and to better support the de-coupling of the hydrometallurgical plant from the beneficiation plant and its re-location to the coast at Onslow.

The majority of the processing facility has seen only minor change, however infrastructure items such as roads, airstrips and camps did result in changes of location due to the de-coupling. The estimated total capital cost was revised to \$449 million, excluding contingency totalling \$76 million, in July 2020 based on prices received in late 2019 and early 2020. A revised and updated capital cost is to be completed during the latter part of 2021.

Equipment will be procured from globally recognised Tier 1 mining equipment suppliers, with most of the processing plant being sole sourced from Metso-Outotec and other individual pieces of equipment coming from TAPC-Tialoc and FLSmidth, all of whom have a proven track record of delivering high quality equipment inclusive of performance guarantees with substantial local support.

The Yangibana Project’s mining operations will remain as conventional (i.e. drill, blast, load, and haul), utilising the services of an Australian contract miner with technical services and management provided by Hastings. The overall processing operation will consist of conventional beneficiation (i.e. crushing, grinding, and floatation) followed by an acid baked kiln and hydrometallurgy back-end process, producing a valuable MREC product.

Hastings has strengthened its management team, employing a Project Manager and Earths Works Manager both with in-excess of 30 years of experience constructing and commissioning mining projects around the world.

Engineering continues to progress on multiple work fronts in support of the process plant decoupling project. At the Yangibana Project, work has focused on site optimisation to deliver a more compact site layout (which has long-term benefits in operational efficiency). These efforts have included the following activities:

- Process plant relocation – The location has been moved 500m to the east to be closer to the Yangibana Project’s Eastern Belt mineral resources;

- Camp relocation – A site has been selected and proposals sought for conceptual layouts for a location within 2.5km of the process plant;

- Access road realignment – A revised alignment for the access road has been completed with considerable CAPEX savings in distance and reduction in the number of engineered creek crossings from 94 to 17; and

- Airstrip relocation – New proposed airstrip within the previous TSF footprint to bring it within 2.5km of the process plant and camp areas.

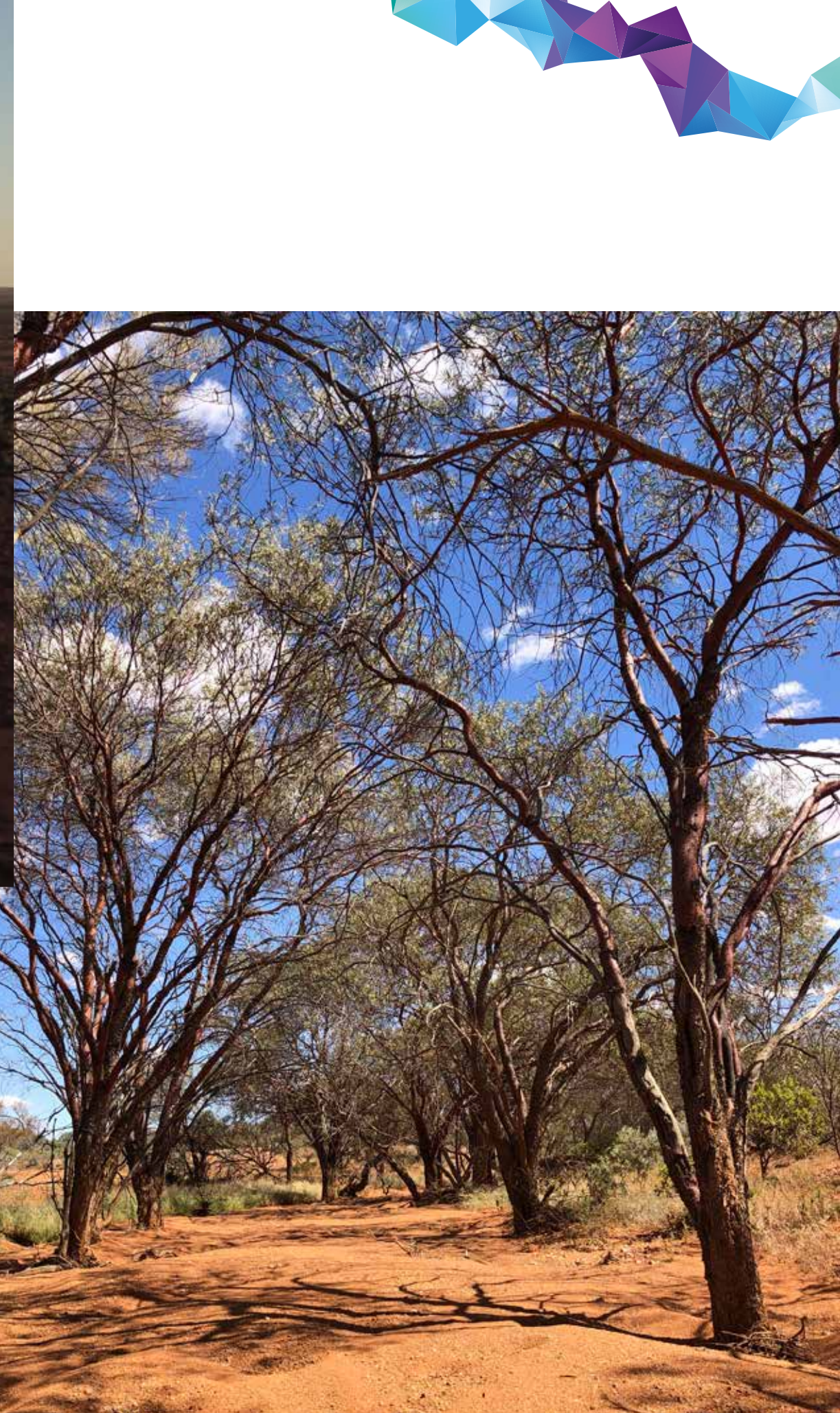
At Onslow, the Ashburton North Strategic Industrial Area (ANSIA) has been selected as the location for the hydrometallurgical plant relocation and work has progressed towards identifying and securing a suitable site that provides access to the required services. Additionally, work continued on the hydrometallurgical plant’s associated engineered packages including:

- Kiln and scrubber engineering – The detailed engineering for the scrubber package has been completed with the review process from the Hastings processing team underway;

- Site locations – Discussions continue with Government agencies DevelopmentWA and the Department of Jobs, Training, Science, and Innovation (JTSI) around several locations where conditional approval has been granted. Once discussions with third-party service providers

“ At the Yangibana Project, work has focused on site optimisation to deliver a more compact site layout (which has long-term benefits in operational efficiency). ”

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are finalised, site layouts will be developed;

- Concentrate and tailings logistics – A logistics study was completed;
- Water – Discussions continue with the Water Corporation around access to a suitable water supply. Water is available as either a direct potable supply or from paleo aquifers.
- Gas – Australian Gas Infrastructure Group (AGIG) has been engaged to provide technical input into the required gas lateral connection; and
- Power – Proposals for a connection and supply costs are being developed with Horizon Power.

Surface infrastructure development activities at the Yangibana Project

commenced post 30 June 2021 to advance the project towards construction prior to finalisation of key service contracts for the construction of the plant and development of the processing facilities at Yangibana and Onslow where the hydrometallurgical plant will be located. Infrastructure works that are to commence at Yangibana include the following:

- Site clearing and roadworks – Initial works will focus on various site and access roadworks, topsoil clearing and storage, and ground preparation at the permanent village site;
- Airstrip – Earthworks to construct a 2,000 metre unsealed airstrip near the village, capable of accommodating 50-seat aircraft;

- Permanent village construction – Design and Installation of a 300-person village, utilising previously procured and re-located buildings already onsite; and
- Communications link – Dual band, 5 hop microwave link using new and existing 60m towers from site to the north-west highway interconnection to existing public network.

GEOLOGY AND MINERAL RESOURCES

GEOLOGY

The near surface mineralisation throughout the Yangibana Project in Western Australia's Gascoyne region (Figure 1) is hosted by iron oxides and hydroxides termed ironstone, being the alteration products of the primary hosts ferro-carbonatite and phoscorite intrusive veins. The main rare earths-bearing mineral is monazite which

has locally undergone alteration at shallow depths (to 25 metre depth) to its hydrous equivalent rhabdophane and to rare earths-bearing aluminium-phosphates such as florencite.

The deposits occur as narrow but strike extensive veins that have a range of dips from almost horizontal (10-20o)

to sub-vertical. The Fraser's deposit has the most extreme range from 5o in portions towards its north-eastern end to 65o at its southwestern end. Average true thickness varies from 2.2 metres to 3.5 metres throughout the Yangibana Project deposits although locally true thicknesses in excess of 20 metres occur (Figure 2).

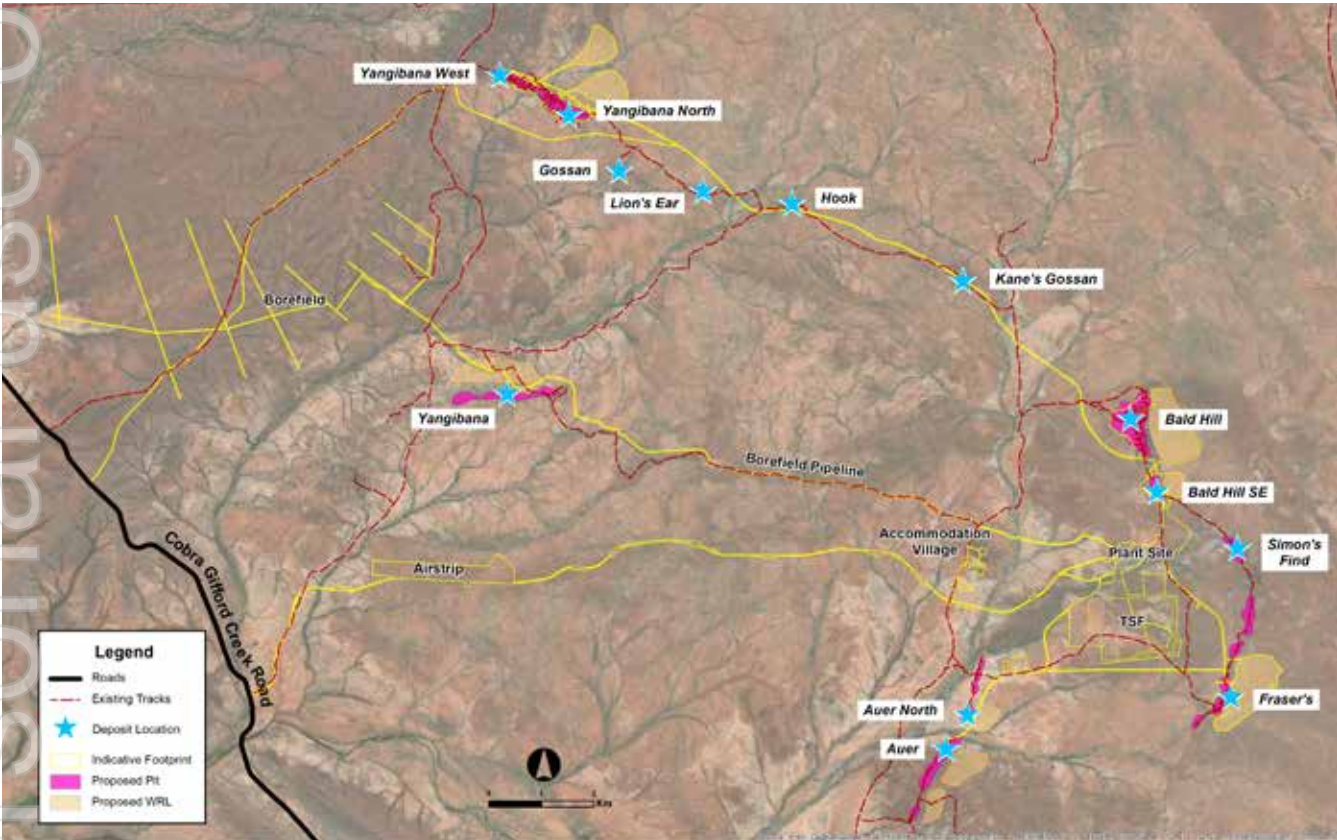


Figure 1 – Location of the deposits hosting mineral resources

MINERAL RESOURCES

Hastings completed an extensive drill program during the year ended 30 June 2021 comprising 341 holes for 23,739 metres of reverse circulation (RC) and 46 holes for 1,605 metres of diamond drilling. Utilising this data, updated resource estimates were prepared for Bald Hill, Frasers, Auer, Yangibana, and Simon's Find and detailed in the Company's ASX announcement dated 5 May 2021 "Yangibana Project Updated Measured and Indicated Resource Tonnes up 54%, TREO Oxides up 32%". The remaining resources have not been updated since the October 2019 Minerals Resource announcement.

Total Mineral Resources at the Yangibana Project now stand at 27.42Mt @ 0.97% TREO.

Measured and Indicated tonnes for deposits drilled during the year increased by 54% to 16.3Mt with a corresponding 32% increase in total rare earth oxides (TREO) to 137kt.

The increase in Mineral Resources is a combination of drilling completed during the year and application of a cut-off grade at 0.24% TREO following evaluation of processing costs and forward rare earth pricing assumptions, which will be released in the upcoming Ore Reserve statement.

Mineral Resources for Yangibana Northwest and additional Inferred Mineral Resources from Gossan, Kane's Gossan, Lion's Ear and Hook remain unchanged from 2019, stated at a 0.20% NdPr cut-off. It is expected that re-stating these resources to a 0.24% TREO cut-off will further increase the total Mineral Resources for the Yangibana Project.

All Yangibana Project deposits start from surface, with no overburden and contain large coherent domains comprising mostly high-value rare earths dominated mineral assemblage. Hastings intends to continue to

progress additional drilling programs across all Yangibana Project deposits in due course.

Hastings' is currently focussed on updating Ore Reserves from the updated Mineral Resources targeting extensions to the Yangibana Project's proposed mine life of high-grade NdPr concentrate production beyond the current defined 15 years.

The total resources as at 30 June 2021 are as shown in Table 1.

The work completed on the unaltered deposits, except Yangibana North, was completed by Lynn Widenbar and Associates incorporating all information and data as per the previous Mineral Resource announcement from 28 November 2018. Yangibana North was re-estimated by D Princep, of Gill Lane Consulting, as per the announcement dated 31 October 2019.

Differences between the Mineral Resource estimate released in May 2021 and the October 2019 estimates are resultant from additional drilling conducted by Hastings, adjustments to modelling and estimation methodologies, changes in bulk densities

Category	Million Tonnes	%TREO	% Nd ₂ O ₃ +Pr ₆ O ₁₁	TREO Tonnes
Measured	4.9	1.01	0.38	49,442
Indicated	16.24	0.95	0.33	154,750
Sub-total	21.14	0.97	0.34	204,192
Inferred	6.27	0.99	0.31	62,225
TOTAL	27.42	0.97	0.33	266,417

Table 1 – Yangibana Project – Total JORC Mineral Resources as at 30 June 2021. Includes JV tenement contributions

All table numbers may not add due to rounding.

applied to the estimates and changes to the reporting cut-off grade. The changes in cut-off grade to 0.24% TREO followed mine planning studies. This value was initially based on a net smelter return (NSR) calculation using all component elements making up the TREO value, with additional work allowing this to be simplified to a singular TREO value. The cut-off grade is based on Hastings' view on the individual prices for the various rare earth elements, individual processing recoveries and overall processing costs.

The Mineral Resources have been classified in the Measured, Indicated, and Inferred categories, in accordance with the 2012 Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC) by the Competent Person. A range of criteria was considered in determining the classification including geological and grade continuity, data quality, drill hole spacing, and modelling technique and kriging output parameters.

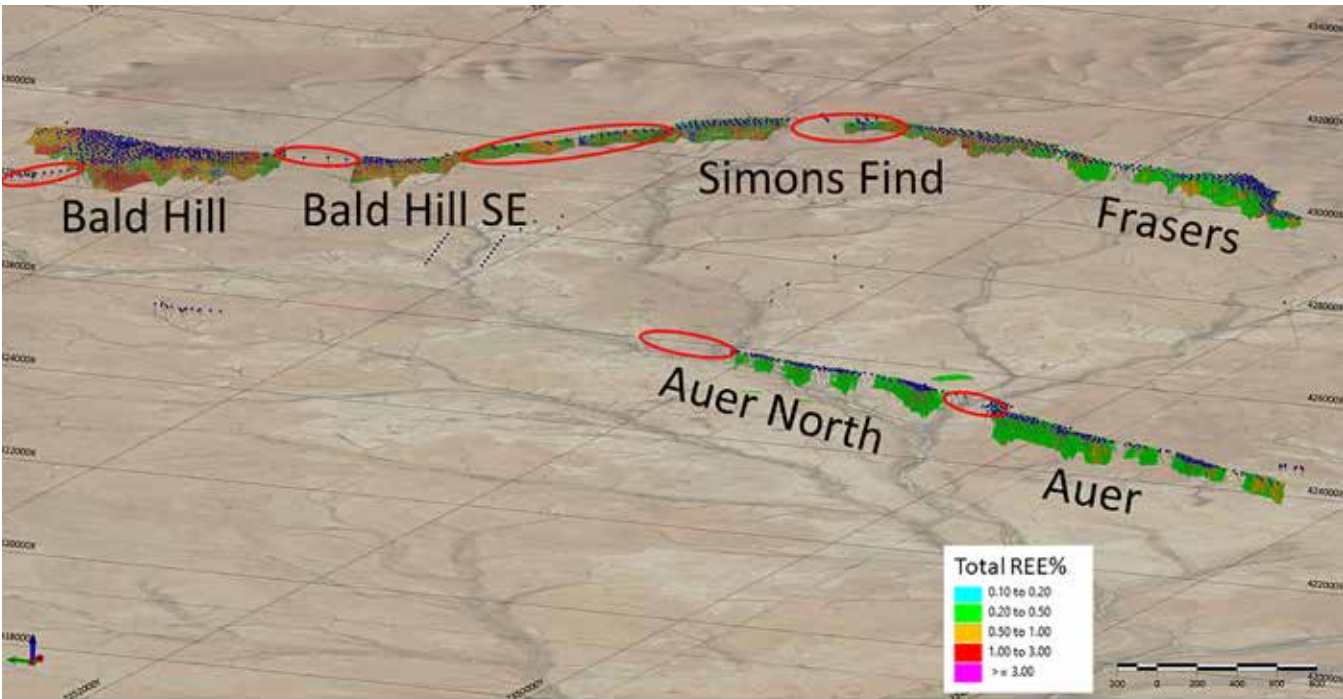


Figure 2 – Oblique view looking northeast of the Auer and the Frasers-Simons Find-Bald Hill resource models and completed drilling, coloured by REE%. These zones cover a strike of 10.5km. Significant additional potential exists to increase the resources where drilling is still widely spaced (red circles) as well as down dip.

MINING ORE RESERVES

The Ore Reserve estimate is derived from the Measured and Indicated ore tonnes from the mineral resource estimates undertaken for the Bald Hill, Frasers, Simon’s Find, Auer, Yangibana and Yangibana North deposits. Only the Measured and Indicated Blocks from the mineral resources were converted to an ore reserve using Whittle 4D software which generated optimised pit shells defining economic envelopes based on various modifying factors, geotechnical domains, operational costs, and sales pricing. The optimised pit shells were used as the basis for detailed open pit designs and subsequent mine scheduling which aim to maximise net present values (“NPV”).

Total Proven and Probable Ore Reserves have increased to 16.7Mt at 0.95% Total Rare Earths Oxide (“TREO”) (Table 2) (see ASX announcement dated 27 July 2021 “Yangibana Rare Earths Project Significant Ore Reserve tonnes increase of 37%, NdPr tonnes up 18% to 58kt”) including 0.37% Nd2O3 and Pr6O11 (together, NdPr), a 37% increase in Ore Reserve tonnes compared with the previous Ore Reserve Estimate announced in 2019 (see ASX announcement, dated 4 November 2019 “18% Increase in Ore Reserves, Mine Life Extended 2 Years To 13 Years”). The major increase in Ore Reserve was built on this year’s successful Exploration Program targeting five of ten key deposits at Yangibana, which delivered a significant Mineral Resource increase (see ASX announcement dated 5 May 2021)

Deposit	Mt	%TREO	% Nd ₂ O ₃ +Pr ₆ O ₁₁	Nd ₂ O ₃ +Pr ₆ O ₁₁ as % of TREO
Bald Hill	6.75	0.86	0.34	39
Fraser’s	1.40	1.09	0.47	43
Simon’s Find	1.72	0.57	0.30	52
Auer	2.07	0.96	0.35	35
Yangibana	1.35	0.79	0.37	47
Yangibana North	3.42	1.31	0.34	26
TOTAL	16.70	0.95	0.35	38

Table 2 – Total JORC (2012) Ore Reserves by Deposit June 2021



The increase in the Ore Reserves is based on the re-estimated and updated Mineral Resources for the Bald Hill, Fraser’s, Simon’s Find, Auer and Yangibana deposits plus the previously announced and unchanged Yangibana North deposit. In addition to the resource drilling conducted during the year, drilling was undertaken to provide samples for metallurgical test work and geological re-interpretation of the mineralisation delineating the deposits. A significant increase in the Measured and Indicated Mineral Resources was generated through the re-interpretation and re-estimation process of the Mineral Resources based on the infill drilling completed during the drilling campaign. This process saw mineralisation previously classified

as uneconomic or inferred within the original geological wireframes reclassified in the updated wireframes (as reported in the Company’s ASX announcement dated 5 May 2021). The new Ore Reserve of 16.7Mt at 0.95% TREO extends the planned Yangibana Project’s mine life to 15 years. The extension to mine life is underpinned by a maiden Ore Reserve for the Simon’s Find deposit along with increases in the Ore Reserves of the closest pits to the site of the proposed processing plant, being Bald Hill, Fraser’s Pits and Auer Pits (Figure 2). The Bald Hill pit alone continues to represent around 40% of the total Ore Reserves and is forecast to supply feed to the processing plant for nine of the 15 years of mine life.

The deposits occur in a range of dips as shown in Table 3, with Fraser’s having the most extreme variation from 5° towards its north-eastern end to 65o at its south-western end. Average true thickness varies from 3.0 to 4.9 metres throughout the ore reserve deposits although locally true thicknesses in excess of 20 metres occur.

Deposit	Declination (degrees)	Ave true thickness (metres)
Bald Hill	0 to 60	4.6
Fraser’s	5 to 65	3.0
Auer	60 to 80	4.3
Auer North	65 to 85	3.2
Simon’s Find	25 to 55	3.4
Yangibana	30 to 65	3.3
Yangibana West	10 to 30	3.9
Yangibana North	5 to 20	4.9

Table 3 – Basic dimensions of the Yangibana deposits hosting ore reserves

NATIVE TITLE AGREEMENT

In November 2017 Hasting’s signed a Native Title Agreement with the Thiin-Mah Warriyangka, Tharrkari and Jiwarli People (“TMWTJ People”) in respect of the Yangibana Project. To date, Hasting’s has met all obligations with respect to its Native Title Agreement.

BROCKMAN PROJECT

The Group continued the process of preparing documentation to support the application of a Mining Lease on the Brockman Project.

Terminology used in this report

TREO is the sum of the oxides of the heavy rare earth elements (HREO) and the light rare earth elements (LREO).

HREO is the sum of the oxides of the heavy rare earth elements europium (Eu), gadolinium (Gd), terbium (Tb), dysprosium (Dy), holmium (Ho), erbium (Er), thulium (Tm), ytterbium (Yb), lutetium (Lu), and yttrium (Y).

CREO is the sum of the oxides of neodymium (Nd), europium (Eu), terbium (Tb), dysprosium (Dy), and yttrium (Y) that were classified by the US Department of Energy in 2011 to be in critical short supply in the foreseeable future.

LREO is the sum of the oxides of the light rare earth elements lanthanum (La), cerium (Ce), praseodymium (Pr), neodymium (Nd), and samarium (Sm).

Andrew Reid
Chief Operating Officer

30 September 2021

Annual Ore Reserves and Mineral Resources Statement

SUMMARY

This statement represents the Mineral Resources and Ore Reserves (MROR) for Hastings Technology Metals Limited as at 30 June 2021. This MROR statement has been compiled and reported in accordance with the guidelines of the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (2012 JORC Code).

This statement is to be reviewed and updated annually in accordance with Section 15 of the 2012 JORC Code. The nominated annual review date for this MROR statement is 30 June.

The Group's Mineral Resources increased at the Yangibana Project which were announced in May 2021 and remained unchanged at the Brockman Project (Halls Creek). The information in this statement has been extracted from the relevant reports as indicated below in each ore reserve or mineral resource table.

The Group is not aware of any new information or data that materially affects the information included in the relevant market releases for this estimate. The Group confirms that all material assumptions and technical parameters underpinning the estimate in the relevant market releases continue to apply and have not materially changed. The Group confirms that the form and context in which the Competent Person's findings are presented here have not been materially modified. Reserves are reported from tenements in which

Hastings holds a 100% interest as well as a 70% controlling interest through a joint venture arrangement (Table 18).

The quoted Yangibana Project's Mineral Resource estimate was first reported in November 2017 in accordance with the 2012 JORC Code. In November 2018, October 2019, and again in May 2021, the Group announced major mineral resource increases over the 2017 estimate. The Group is not aware of any new information or data that materially affects the information included in the relevant market releases for these estimates. The Group confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market releases continue to apply and have not materially changed. The Group confirms that the form and context in which the Competent Person's findings are presented here have not been materially modified. Resources are shown for the total project (Table 6), and this total then splits into the 100% Hastings tenements (Table 7); and the joint venture ground in which Hastings holds a 70% interest (Table 8).

The Brockman Mineral Resource estimate was first reported in September 2011 in accordance with the guidelines of the 2004 Edition of the JORC Code and was subsequently updated in January 2021 to comply with the 2012 JORC Code. The mineral resource estimate for the Southern Extension was first reported in the Group's December 2015 Quarterly Report. The Group is not aware of any new information or data that materially affects the information included in the relevant market releases for this estimate. The Group confirms that all material assumptions and technical parameters underpinning the estimate in the relevant market releases continue to apply and have not materially changed. The Group confirms that the form and context in which the Competent Person's findings are presented here have not been materially modified. Resources are shown for the main Brockman Project in Table 23.

YANGIBANA PROJECT'S MINERAL RESOURCES

Updated resource estimates were prepared for Bald Hill, Frasers, Auer,

Yangibana, and Simon's Find and detailed in the Company's ASX announcement dated 5 May 2021 "Yangibana Project Updated Measured and Indicated Resource Tonnes up 54%, TREO Oxides up 32%". The remaining resources have not been updated since the October 2019 Minerals Resource announcement.

Deposit	Comments
Bald Hill	Re-estimated
Frasers	Re-estimated
Yangibana	Re-estimated
Auer	Re-estimated
Simon's Find	*Re-estimated

Table 4 – Summary of Mineral Resources updated in May 2021

Deposit	Comments
Yangibana North	Not re-estimated
Gossan	Not re-estimated
Lion's Ear	Not re-estimated
Hook	Not re-estimated
Kane's Gossan	Not re-estimated

Table 5 – Summary of resources unaltered and unchanged in 2021

Category	Million Tonnes	%TREO	% Nd ₂ O ₃ +Pr ₆ O ₁₁	TREO Tonnes
Measured	4.9	1.01	0.38	49,442
Indicated	16.24	0.95	0.33	154,750
Sub-total	21.14	0.97	0.34	204,192
Inferred	6.27	0.99	0.31	62,225
TOTAL	27.42	0.97	0.33	266,417

Table 6 – Total Yangibana Project's Mineral Resource by category.

- Numbers may not add up due to rounding. Includes JV tenement contributions.
- Reporting of Minerals Resources for Auer, Auer North, Bald Hill, Frasers, Simons Find and Yangibana is at a cut-off grade of 0.24% total rare earth oxides (TREO).
- Reporting of Mineral Resources for all other deposits is at 0.2% Nd₂O₃+Pr₆O₁₁ cut-off grade.



Total Mineral Resource in Tenements 100% held by Hastings			
Category	Million Tonnes	%TREO	% Nd ₂ O ₃ +Pr ₆ O ₁₁
Measured	4.53	0.98	0.39
Indicated	13.59	0.88	0.33
Inferred	3.84	0.80	0.28
TOTAL	21.96	0.88	0.33

Table 7 – Yangibana Project's resources within 100% Hastings tenements (see note for cut-off grade), 30 June 2021.

Total Mineral Resource in Tenements 70% held by Hastings			
Category	Million Tonnes	%TREO	% Nd ₂ O ₃ +Pr ₆ O ₁₁
Measured	0.38	1.42	0.36
Indicated	2.65	1.35	0.35
Inferred	2.43	1.34	0.36
TOTAL	5.46	1.35	0.36

Table 8 – Yangibana Project's resources within joint venture tenements (see note for cut-off grade), 30 June 2021.

Re-Estimated JORC (2012) Mineral Resources – by Deposit

The following tables represent those deposits which have been re-estimated during the year. Numbers may not add up due to rounding.

Category	Million Tonnes	%TREO	% Nd ₂ O ₃ +Pr ₆ O ₁₁	TREO Tonnes
Measured	3.51	0.86	0.35	30,369
Indicated	3.78	0.83	0.32	31,172
Sub-total	7.29	0.84	0.33	61,541
Inferred	1.17	0.63	0.26	7,446
TOTAL	8.46	0.82	0.32	68,986

Table 9 – Bald Hill re-estimated Mineral Resource, 100% Hastings

Category	Million Tonnes	%TREO	% Nd ₂ O ₃ +Pr ₆ O ₁₁	TREO Tonnes
Measured	0.73	1.36	0.58	9,899
Indicated	1.01	0.77	0.34	7,797
Sub-total	1.74	1.02	0.44	17,695
Inferred	0.25	0.9	0.36	2,255
TOTAL	1.99	1.00	0.43	19,950

Table 10 – Frasers re-estimated Mineral Resource, 100% Hastings

Category	Million Tonnes	%TREO	% Nd ₂ O ₃ +Pr ₆ O ₁₁	TREO Tonnes
Measured	-	-	-	-
Indicated	3.54	0.93	0.32	32,796
Sub-total	3.54	0.93	0.32	32,796
Inferred	1.10	0.76	0.24	8,297
TOTAL	4.64	0.89	0.30	41,093

Table 11 – Auer re-estimated Mineral Resource, 100% Hastings

Category	Million Tonnes	%TREO	% Nd ₂ O ₃ +Pr ₆ O ₁₁	TREO Tonnes
Measured	-	-	-	-
Indicated	1.98	0.71	0.34	14,034
Sub-total	1.98	0.71	0.34	14,034
Inferred	0.33	0.64	0.31	2,146
TOTAL	2.31	0.70	0.33	16,180

Table 12 – Simon's Find Mineral Resource, 100% Hastings

Category	Million Tonnes	%TREO	% Nd ₂ O ₃ +Pr ₆ O ₁₁	TREO Tonnes
Measured	-	-	-	-
Indicated	1.79	0.58	0.30	10,437
Sub-total	1.79	0.58	0.30	10,437
Inferred	0.63	0.53	0.27	3,365
TOTAL	2.42	0.57	0.30	13,802

Table 13 – Yangibana North re-estimated Mineral Resource, total

Comprising: Yangibana M09/165 (100% Hastings)

Category	Million Tonnes	%TREO	% Nd ₂ O ₃ +Pr ₆ O ₁₁	TREO Tonnes
Measured	0.38	1.42	0.36	5,317
Indicated	2.49	1.40	0.36	34,785
Sub-total	2.87	1.40	0.36	40,101
Inferred	0.37	1.45	0.37	5,366
TOTAL	3.24	1.41	0.36	45,467

Table 14 – Yangibana North re-estimated Mineral Resource, 100% Hastings

JORC (2012) Mineral Resources, not updated since November 2018– by Deposit

The following Tables represent those deposits which have not been updated or altered since the 28 November 2018 minerals resource announcement. Numbers may not add due to rounding errors.

Category	Million Tonnes	%TREO	% Nd ₂ O ₃ +Pr ₆ O ₁₁	TREO Tonnes
Gossan	0.25	1.43	0.35	3,518
Lion's Ear	0.71	1.54	0.39	10,934
Hook	0.29	1.52	0.33	4,393
Kane's Gossan	0.57	1.04	0.29	5,970
TOTAL	1.82	1.39	0.34	24,814

Table 15 – Mineral Resources not updated, 100% Hastings, all Mineral Resources are Inferred only

Updated resource estimates were prepared for Bald Hill, Frasers, Auer, Yangibana, and Simon's Find and detailed in the Company's ASX announcement dated 5 May 2021 "Yangibana Project Updated Measured and Indicated Resource Tonnes up 54%, TREO Oxides up 32%". The remaining resources have not been updated since the October 2019 Minerals Resource announcement. There have been no resource adjustments made since the May 2021 announcement, available to view at www.hastingstechmetals.com.

YANGIBANA PROJECT'S ORE RESERVES

The below quoted Yangibana Project's Ore Reserve was first reported in July 2021 in accordance with the 2012 JORC Code (refer to ASX Release dated 27 July 2021 titled "Yangibana Rare Earths Project Significant Ore Reserve tonnes increase of 37%, NdPr tonnes up 18% to 58kt"), available to view at www.hastingstechmetals.com.

Deposit	Million Tonnes	%TREO	% Nd ₂ O ₃ +Pr ₆ O ₁₁	% Nd ₂ O ₃ +Pr ₆ O ₁₁ as % of TREO
Bald Hill	6.75	0.86	0.34	39
Fraser's	1.40	1.09	0.47	43
Simon's Find	1.72	0.57	0.30	52
Auer	2.07	0.96	0.35	35
Yangibana	1.35	0.79	0.37	47
Yangibana North	3.42	1.31	0.34	26
TOTAL	16.70	0.95	0.35	38

Table 16 – Total Ore Reserves by deposit

Proved and Probable Ore Reserves within tenements held 100% by Hastings are shown in Table 17 and 18 respectively, with those within tenements in which Hastings holds a 70% interest being shown in Table 21.

Deposit	Million Tonnes	%TREO	% Nd ₂ O ₃ +Pr ₆ O ₁₁	% Nd ₂ O ₃ +Pr ₆ O ₁₁ as % of TREO
Bald Hill	3.45	0.86	0.35	40
Fraser's	0.69	1.36	0.58	42
Simon's Find	-	-	-	-
Auer	-	-	-	-
Yangibana	-	-	-	-
Yangibana North	0.56	1.35	0.36	26
TOTAL	4.69	0.99	0.38	39

Table 17 – Yangibana Project – Proved Ore Reserves by deposit, 30 June 2021

Deposit	Million Tonnes	%TREO	% Nd ₂ O ₃ +Pr ₆ O ₁₁	% Nd ₂ O ₃ +Pr ₆ O ₁₁ as % of TREO
Bald Hill	2.87	0.86	0.33	38
Fraser's	0.71	0.83	0.36	43
Simon's Find	1.72	0.57	0.30	52
Auer	2.07	0.96	0.35	35
Yangibana	1.35	0.79	0.37	47
Yangibana North	2.87	1.31	0.34	26
TOTAL	12.00	0.93	0.34	36

Table 18 – Yangibana Project - Probable Ore Reserves by deposit, 30 June 2021

Deposit	Million Tonnes	%TREO	% Nd ₂ O ₃ +Pr ₆ O ₁₁	% Nd ₂ O ₃ +Pr ₆ O ₁₁ as % of TREO
Bald Hill	3.45	0.86	0.35	40
Fraser's	0.69	1.36	0.58	42
Simon's Find	-	-	-	-
Auer	-	-	-	-
Yangibana	-	-	-	-
Yangibana North	0.29	1.31	0.36	27
TOTAL	4.43	0.97	0.39	39

Table 19 – Yangibana Project - Proved Ore Reserves within tenements held 100% by Hastings, 30 June 2021

Deposit	Million Tonnes	%TREO	% Nd ₂ O ₃ +Pr ₆ O ₁₁	% Nd ₂ O ₃ +Pr ₆ O ₁₁ as % of TREO
Bald Hill	3.30	0.86	0.33	38
Fraser's	0.71	0.83	0.36	43
Simon's Find	1.72	0.57	0.30	52
Auer	2.07	0.96	0.34	35
Yangibana	1.25	0.81	0.38	47
Yangibana North	1.54	1.31	0.36	27
TOTAL	10.58	0.89	0.34	39

Table 20 – Yangibana Project – Probable Ore Reserves within tenements held 100% by Hastings, 30 June 2021

Deposit	Million Tonnes	%TREO	% Nd ₂ O ₃ +Pr ₆ O ₁₁	% Nd ₂ O ₃ +Pr ₆ O ₁₁ as % of TREO
Bald Hill	-	-	-	-
Fraser's	-	-	-	-
Simon's Find	-	-	-	-
Auer	-	-	-	-
Yangibana	-	-	-	-
Yangibana North	0.27	1.38	0.35	26
TOTAL	0.27	1.38	0.35	26

Table 21 – Yangibana Project - Proved Ore Reserves within tenements held 70% by Hastings, 30 June 2021

Deposit	Million Tonnes	%TREO	% Nd ₂ O ₃ +Pr ₆ O ₁₁	% Nd ₂ O ₃ +Pr ₆ O ₁₁ as % of TREO
Bald Hill	-	-	-	-
Fraser's	-	-	-	-
Simon's Find	-	-	-	-
Auer	-	-	-	-
Yangibana	0.10	0.56	0.26	47
Yangibana North	1.33	1.27	0.33	26
TOTAL	1.43	1.22	0.32	27

Table 22: Yangibana Project - Probable Ore Reserves within tenements held 70% by Hastings, 30 June 2021

BROCKMAN PROJECT’S MINERAL RESOURCES

A new Mineral Resource estimate for the Brockman main deposit was prepared in January 2021 as previous Mineral Resources were prepared and first disclosed under JORC Code 2004. These estimates had not been updated since to comply with JORC Code 2012 on the basis that the information used to prepare these estimates had not materially changed since they were last reported (refer 8 September 2011 announcements “Significant upgrade in JORC Resources at Hastings Rare Metal – Heavy Rare Earth Deposit” and 29 January 2016’s announcement “December 2015 Quarterly Activities Report”).

Inferred	M tonnes	TREO %	HREO %	Nb ₂ O ₅ %	TA ₂ O ₅ %	Y ₂ O ₃ %	ZrO ₂ %
Total	41.6	0.20	0.17	0.35	0.02	0.11	0.86

Table 23 – Updated JORC 2012 Brockman Project Mineral Resources. Lower cut-off grade is 700ppm Nb2O5

MATERIAL CHANGES AND RESOURCE STATEMENT COMPARISON

The Group reviews and reports its Mineral Resources at least annually and provides an Annual Mineral Resource Statement. The date of reporting is 30 June each year, to coincide with the Group’s end of financial year balance date. If there are any material changes to its mineral resources over the course of the year, the Group is required to promptly report these changes.

GOVERNANCE ARRANGEMENTS AND INTERNAL CONTROLS

Hastings has ensured that the Ore Reserves and Mineral Resources quoted are subject to good governance arrangements and internal controls. The Ore Reserves and Mineral Resources reported have been generated by independent external consultants who are experienced in best practices in modelling and estimation methods. The consultants have also undertaken reviews of the quality and suitability of the underlying information used to generate the resource estimation. In addition, Hastings’ management carries out regular reviews of internal processes and external contractors that have been engaged by the Group.

All Mineral Resources reported here were compiled in accordance with the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (JORC Code) 2012 Edition.

COMPETENT PERSONS’ STATEMENT

The information that relates to the Ore Reserves at Bald Hill, Fraser’s, Yangibana, Auer and Auer North and Yangibana West is based on information reviewed or work undertaken by Mr Stephen O’Grady, AusIMM, 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 that relates to process metallurgy is based on information reviewed by Ms. Narelle Marriott (Principal Engineer – Beneficiation) and Mr Zhaobing (Robin) Zhang (Process Engineering Manager) of Hastings Technology Metals Limited. Both Ms Marriott and Mr Zhang are members of AusIMM. Each 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 2012 JORC Code. Ms Marriott and Mr Zhang consent to the inclusion in this announcement of the matters based on their information in the form and context in which it appears.

The information that relates to Mineral Resources at the Yangibana Deposit is based on information compiled by Mr

David Princep of Gill Lane Consulting. Mineral Resources at Brockman were completed by Mr Simon Coxhell of CoxsRocks Pty Ltd, both of whom are Members of the Australasian Institute of Mining and Metallurgy (AusIMM). Both are consultants to Hastings Technology Metals Limited and have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 and 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Princep and Mr Coxhell consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

The information that relates to Exploration Results is based on information compiled by Mr Andrew Reid. Mr Reid is an employee of the Group and is a Member of the Australian Institute of Mining and Metallurgy (FAusIMM). Mr Reid has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this presentation 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”). Mr Reid consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

TENEMENT SCHEDULE AS AT 30 JUNE 2021 (All tenements are in Western Australia)

YANGIBANA RARE EARTHS PROJECT

Gascoyne Metals Pty Limited (100% subsidiary)

E09/1989	100%
E09/2007	100%
E09/2084	100%
E09/2086	100%
E09/2095	100%
E09/2129	100%
E09/2137	100%
E09/2334	100%
E09/2364	100%
E09/2403-2404	100%
G09/10	100%
G09/14	100%
G09/23-25	(Application)
L09/66	100%
L09/67	100%
L09/68	100%
L09/69	100%
L09/70	100%
L09/71	100%
L09/72	100%
L09/74	100%
L09/75	100%
L09/80	100%
L09/81	100%
L09/82	100%
L09/83	100%
L09/85	100%
L09/86	100%
L09/87	100%
L09/89	100%
L09/91	100%
M09/157	100%
M09/160	100%
M09/164	100%
M09/165	100%
M09/177	(Application)
M09/179	(Application)

BROCKMAN RARE EARTHS PROJECT

Brockman Project Holdings Pty Limited (100% subsidiary)

E80/5248	(Application)
M80/636	(Application)
P80/1626-1635	100%

Gascoyne Metals Pty Limited (100% subsidiary)

P09/489	100%
E09/1703-1706	70%
E09/2296	70%
E09/2298	70%
E09/2333	70%
G09/11	70%
G09/13	70%
M09/159	70%
M09/161	70%
M09/163	70%

Yangibana Pty Limited (100% subsidiary)

E09/1700	100%
E09/1943	100%
E09/1944	100%
E09/2018	100%
G08/95	(Application)
G08/96	(Application)
G08/97	(Application)
G09/17	100%
G09/18	100%
G09/20	100%
G09/21	100%
G09/22	100%
G09/26	(Application)
G09/27	(Application)
G09/28	(Application)
L09/93	100%
L09/95	100%
L09/96	(Application)
L09/97	(Application)
M09/158	100%
M09/162	100%
M09/176	(Application)
M09/178	(Application)

OTHER PROJECT

Ark Gold Pty Limited (100% subsidiary)

E09/2385	100%
E09/2399	100%

Directors' Report

Your directors submit the annual financial report of the consolidated entity consisting of Hastings Technology Metals Ltd (the "Company") and the entities it controlled during the period (the "Group") for the financial year ended 30 June 2021. Pursuant to the provisions of the Corporations Act, the Directors report as follows:

DIRECTORS

The names of Directors who held office during or since the end of the year and to the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Name	Particulars
Mr Charles Lew	Executive Chairman
Mr Guy Robertson	Executive Director
Mr Jean Claude Steinmetz	Non-executive Director
Mr Neil Hackett	Non-executive Director
Mr Malcolm Randall	Non-executive Director
Mr Bruce McFadzean	Non-executive Director (appointed 1 January 2021)

NAMES, QUALIFICATIONS, EXPERIENCE, AND SPECIAL RESPONSIBILITIES



Mr Charles Lew
Executive Chairman

Qualifications: BA Hons Finance and Accounting, MSc Management Science

Mr Lew has more than 30 years of investment banking experience, including serving as Managing Director of ABN Amro's investment banking business in Singapore from 1997 to 2000. He has been involved in a diverse range of investment banking activities, including IPOs, equity placements, corporate mergers and acquisitions, debt/equity restructuring, private equity investments and venture capital financing.

After leaving ABN Amro in year 2000, Mr Lew started his own investment management company, Equator Capital, which manages a hedge fund that is primarily involved in trading global managed futures, US equities and options. In addition, Equator

Capital has been a private equity/pre-IPO investor in growth companies in Singapore, Malaysia, and China some of whom were subsequently listed on the Singapore Exchange.

Mr Lew served as an Independent Non-Executive Director of one of Malaysia's prominent banking group, RHB Bank from March 2004 until his retirement from the group in May 2016. During this period, he was on the board of RHB Investment Bank (2004 to 2016), RHB Islamic Bank (2008 to 2016) and RHB Capital Berhad (2005 to 2007). He was an Independent Director on the board of Singapore Medical Group between 2007 and 2013. He is also Founder and Chairman of Muddy Murphy Holdings, an operator of traditional and concept pubs that was established in 1996.

Mr Lew holds a BA (Hons) in Finance and Accounting from the University of East London and a MSc in Management Science from Imperial College, University of London.

Mr Lew has held no other ASX directorships in the past three years.



Mr Guy Robertson
Executive Director and Joint Company Secretary

Qualifications: BCom (Hons) CA

Mr Robertson has significant experience as a director and company secretary of ASX listed and private companies in both Australia and Hong Kong.

Mr Robertson previously held senior roles in the Jardine Matheson group of companies over a period of sixteen years including Finance Director and Managing Director (NSW) for Jardine Lloyd Thompson Australia Insurance Brokers, Finance Director and Chief Operating Officer for Colliers International Property Services Asia Pacific and General Manager Finance of the Franklins Limited supermarket chain.

Mr Robertson is an Executive Director of Metal Bank Limited (ASX: MBK) and has held no other ASX directorships in the past three years.



Mr Jean Claude Steinmetz
Non-Executive Director

Qualifications: BSc in Chemical Engineering, MSc in Industrial Management

Mr Steinmetz has been involved in the specialty chemical industry for more than 25 years with a strong focus on the automotive industry leading breakthrough projects in body developments and major reductions programmes of carbon dioxide (CO2) in compliance with European and global legislation. Mr Steinmetz has also held management positions in Rhodia-Solvay, GE and Du Pont. He currently serves as Chairman of the Auto Plastic and Innovative Materials Committee of Sino-EU Chemical Manufacturers Association.

Mr Steinmetz's was previously Chief Operating Officer for the ASX listed rare earth company Lynas Corporation where he had operational responsibility for the mining operations and concentration plant at Mount Weld in Western Australia and the Lynas Advanced Materials Plant in Malaysia. He also had oversight of the sales and marketing activities at Lynas and is fluent in English, Dutch, German and French.

Mr Steinmetz has held no other ASX directorships in the past three years.



Mr Neil Hackett
Non-Executive Director and Joint Company Secretary

Qualifications: BEcon UWA, GDAFI, GDFF, FFin, GAICD(Merit)

Mr Hackett is a professional Australian Securities Exchange director with over 25 years practical experience with ASX200 resources entities, diversified industrials, funds management, and ASIC. He is currently Non-Executive Chairman of Aridien Ltd (ASX: ADV), Non-Executive Director of Intelicare Ltd (ASX: ICR), Non-Executive Director of Footwear Industries Pty Ltd (trading as Steel Blue Safety Boots), Council Member of John XXIII College, and Course Facilitator with the Australian Institute of Company Directors. Mr Hackett's previous ASX resources experience includes Ampella Mining Ltd, African Chrome Fields Ltd, Calima Energy Ltd, Modun Resources Ltd and Sundance Resources Ltd.

He holds a Bachelor of Economics from University of Western Australia, Graduate Diploma in Applied Finance & Investment, Graduate Diploma in Financial Planning, is a Fellow of FINSIA, and a Graduate (Order of Merit) and Facilitator with the Australian Institute of Company Directors.

Over the past 3 years, Mr Hackett is a former ASX director of Calima Energy Ltd.



Mr Malcolm Randall
Non-Executive
Director

Qualifications: Dip Applied Chem, FAICD

Mr Randall holds a Bachelor of Applied Chemistry degree and has more than 45 years of experience in corporate, management and marketing in the resources sector, including more than 25 years with the Rio Tinto group of companies.

His experience has covered a diverse range of commodities including iron ore, base metals, uranium, mineral sands, and coal.

Mr Randall has held the position of chairman and director of several ASX listed companies. Current directorships include Ora Gold Limited (ASX: OAU), Magnetite Mines Limited (ASX: MGT), and Argosy Minerals Limited (ASX: AGY).

Over the past 3 years, Mr Randall is a former ASX director of Iron Ore Holdings Limited, United Minerals Corporation NL, MZI Limited, and Kalium Lakes Limited.



Mr Bruce McFadzean
Non-Executive
Director

Qualifications: Fellow of Australian Institute of Mining and Metallurgy (FAUSIMM), Graduate Diploma in Mining

Mr McFadzean, mining engineer, has more than 40 years' experience in the global resources industry and was the Managing Director of Sheffield Resources Limited from Nov 2015 until July 2021. Mr McFadzean who has led the financing, development, and operation of several new mines around the world has experience in gold, copper, nickel, diamonds, iron ore and mineral sands.

Mr McFadzean's professional career includes 15 years with BHP Billiton and Rio Tinto in a variety of positions and four years as managing director of successful ASX gold miner Catalpa Resources Limited which merged into Evolution Mining Limited. Mr McFadzean has successfully completed several mergers, acquisitions and joint ventures.

Mr McFadzean has held the position of chairman and director of several ASX listed companies and is currently Non-Executive Chairman – Kimberley Mineral Sands (private) April 2021 to July 2021, and Non-Executive Chairman – Aquirian Limited (ASX: AQN) - April 2021 to present.

Over the past 3 years, Mr McFadzean is a former ASX director of Indiana Resources Limited and Sheffield Resources Limited



Matthew Allen
Chief Financial Officer

Mr Allen is a chartered accountant and finance professional with over 25 year's experience in the operations and management of public companies in the resources sector. The majority of Mr Allen's recent experience has been in the hydrocarbon sector and involved both the exploration for and development of projects in Australia, Asia, Africa and the USA.

Mr Allen was most recently the Managing Director and previously Chief Financial Officer of Otto Energy Ltd which was exploring and developing in the Gulf of Mexico in the United States. He was also involved in Otto's successful Philippines operations and lead the sale of that business in 2014. Prior to joining Otto Energy, Mr Allen spent over 8 years

with Australia's largest hydrocarbon business, Woodside Energy Ltd as a Finance Manager. During his time with Woodside, Mr Allen held key financial responsibilities in a number of business units with operations both within Australia and Africa.

Mr Allen is a Fellow of Chartered Accountants Australia and New Zealand (CAANZ), a Fellow of FinSIA and a Graduate Member of the Australian Institute of Company Directors (AICD).



Robin Zhang
General Manager,
Process Engineering

Mr Zhang has more than 20 years' experience in research and development, project engineering, plant commissioning and running

of operations in the rare earths industry. He has extensive experience in design and running a rare earths processing and separation plant.

Mr Zhang spent 8 years with Lynas Corporation serving as Senior Technical Services Manager and Senior Project Development Manager and had worked in all phases of the development of Lynas Advanced Materials Plant in Malaysia. Prior to this, he spent 11 years with Gansu Rare Earth Group – one of the largest rare earth companies in China where he served as the Deputy Director of its Technical Centre.



Dr Lara Jefferson
General Manager,
Sustainability

Dr Lara Jefferson has nearly 30 years' experience in a variety of environmental roles, including the preparation of environmental approvals, government and stakeholder

consultation, development and implementation of Environmental and Social Management Systems (ISO 14001), compliance and sustainability reporting (Global Reporting Initiative standards).

The focus of Lara's doctorate was restoration ecology in a post-mining landscape. Lara has a Masters of Business Administration (MBA) degree and is a Graduate of the Australian Institute of Company Directors (GAICD). In 2012, Lara won the Encycle Award for her contribution to sustainability by the National Association of Women in Construction. Lara's teams have won other environmental awards, including Western Australia's prestigious Department of Mines and Petroleum Golden Gecko Award.



Nick Holthouse
General Manager Engineering Operations Readiness

Mr Holthouse is a qualified Mining Engineer with over thirty years' industry experience in surface and underground mining operations. Mr Holthouse holds qualifications in Mining Engineering and Surveying and has operational experience in commodities such as gold, uranium, coal and base metals. His areas of expertise include the construction, commissioning and operation of mines and process plants in remote regions.

Prior to joining Hastings, Mr Holthouse spent 5 years in Indonesia with a corporate role in Merdeka Mining, operational and project construction roles with Finders Resources and a consulting role as Principal Mining Engineer and Manager of the mining department at CSA Global's Perth office for 4 years.

Mr Holthouse is a Member of the AUSIMM and has a proven track record of delivering at a project construction and operational level and ongoing business optimisation.



Andrew Reid
Chief Operating Officer

Mr Reid is an executive with over twenty-five years' industry experience in surface and underground mining operations. Mr Reid holds qualifications in Geology, Mining Engineering and Mineral Economics and operational experience spanning the commodities of gold, uranium, iron ore and base metals. His areas of expertise include the commissioning and operation of complex metallurgical plants in remote regions.

Prior to joining Hastings, Mr Reid held Chief Operation Officer positions in Finders Resources and BCM International. Mr Reid is also a Fellow member of the AUSIMM, and has a proven track record of delivering at an operational level, maximising profit and improving business operations through optimising business systems and processes.

Executive Team

EXECUTIVE TEAM CONTINUED



Nick Bennett
Project Manager

Mr Bennett is an experienced Project Developer and Manager with a demonstrated history of achievements in the mining & metals industry. Mr Bennett has 30 years work experience in engineering environments, with 20+ years’ experience in executing studies and projects in Project Management roles in the chemical and mineral processing industry. Prior to joining KPMG, Mr Bennett was Project Manager at Ausenco in 2020 and Project Manager at MSP Engineering for more than 2 years.

Mr Bennett is skilled in Project development from concept through to commissioning, Project Management (Client, EPCM, EPC), Project Controls, Contract Management, Construction, Commissioning, Mineral Processing, Chemical Plants, Infrastructure, and Energy. Mr Bennett holds an Engineer’s Degree focused in Mechanical Engineering from the University of Western Australia.

INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY

The following relevant interests in shares and options of the Group or a related body corporate were held by the Directors as at the date of this report.

Director	Number of Fully Paid Ordinary Shares	Number of Options*	Number of Performance Rights
Mr Charles Lew	123,603,734	4,892,677	11,500,000
Mr Guy Robertson	451,472	-	1,500,000
Mr Jean Claude Steinmetz	3,720,890	100,000	1,500,000
Mr Neil Hackett	-	-	1,500,000
Mr Malcolm Randall	175,074	32,537	2,500,000
Mr Bruce McFadzean	263,157	-	2,500,000

*Listed options exercisable at 25 cents per share expiring on 12 April 2022.

DIVIDENDS

No dividends have been paid or declared since the start of the financial year and the Directors do not recommend the payment of a dividend in respect of the financial year.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year were the exploration and evaluation of the Yangibana Rare Earths Project (“the Project”), advancing funding applications with the Northern Australia Infrastructure

Fund (“NAIF”), the German United Loan Guarantee Scheme with KfW IPEX-Bank (“KfW”), Finland’s Export Credit Agency (“Finnvera Oyj”), and commercial lenders, and signing a long-term off-take contract with thyssenkrupp Materials Trading GmbH.

For a review of operations, please refer to the section Review of Operations on pages 16 to 23.

OPERATING RESULTS FOR THE YEAR AND FINANCIAL REVIEW

The comprehensive loss of the consolidated entity for the financial period, after providing for income tax amounted to \$6,334,423 (2020: \$4,230,338).

The Group’s operating income decreased to \$175,915 (2020: \$226,707) primarily due to a decrease in interest income given lower interest rates.

Expenses increased to \$6,509,067 (2020: \$4,450,498) owing primarily to the \$1,720,702 increase in share-based payment expenses.

Capitalised exploration increased to \$64,704,236 (2020: \$57,224,056) reflecting the costs associated with drilling on the Yangibana Rare Earths Project to increase probable reserves, and heritage and environmental approvals.

Plant and equipment increased to \$46,446,450 (2020: \$43,038,256) reflecting preliminary construction works on the Project’s site, and design and engineering costs.

Net assets increased to \$221,931,429 (2020: \$109,943,000) reflecting capital raisings during the year of \$121,923,528 (before costs) offset by the results for the year.

REVIEW OF FINANCIAL CONDITIONS

As at 30 June 2021 the consolidated entity had \$110,067,095 in cash, of which \$28,067,095 was in cash and cash equivalents and \$82,000,000 in term deposits with maturities greater than 3 month terms. The funds are earmarked for construction, corporate costs, and working capital.

GOING CONCERN

In light of the \$110,067,095 in funds held by the Group, and the Group’s forecasted cash outflows over the next 12 months, the Directors expect that the Group can continue its normal business activities, subject to any changes to the underlying assumptions on which those forecasts have been made. This includes the ability to extinguish liabilities as and when they fall due without the need for additional funding. The Directors therefore have determined it is appropriate for the financial statements to be prepared on a going concern basis.

The Group continues discussions with the support of its appointed debt adviser, KPMG, on project debt funding with a syndicate including KfW IPEX-Bank, Finland’s Export Credit Agency Finnvera Oyj, Northern Australian Infrastructure Facility, and a number of commercial banks. The project debt funding is expected to be finalised during the 2021/22 financial year and first drawdown in the second half of the 2021/2022 financial year. In

addition, the currently issued HASO share options with an expiry date of 12 April 2022, if exercised by this date, would supplement the Company’s cash balance by a further \$31.6 million.

For further information concerning going concern, refer to Note 1(d) to the financial statements.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (“ESG”)

Hastings will be releasing its inaugural sustainability report this year, which once completed, will be available on the Group’s website: hastingstechmetals.com/about-us/governance/. It is the Group’s intention to build upon this report year-on-year to meet the expectations of our stakeholders, build value for our shareholders that extends beyond financial gain, aligns with international standards such as the Global Reporting Initiative (GRI) and Task Force on Climate Related Financial Disclosures (TCFD), and contributes in part to the United Nations (UN) Sustainable Development Goals (SDGs).

The value of our company is not only defined by our financial performance, but also by our environmental, social and governance performance. Our approach to operating in a sustainable manner is built around integrating four key pillars (i.e., environment, people, governance, community) into our business. In order to identify performance metrics in these four key pillars, a materiality analysis was conducted. The outputs from the materiality analysis have enabled us to identify and report on the following topics that are material to our business:

1. Environment: We seek to understand and manage our impact on the environment and be efficient in the way that we use resources. Key performance was reported under the following topics:

- Climate change including our footprint and our contribution to supporting technologies that will enable a low carbon economy
- Water stewardship includes

consideration of water sources and groundwater dependent ecosystems, and water efficiency measures

• Waste and tailings management includes waste characterisation, waste management and long-term integrity of waste landforms

• Biodiversity includes the assessment of biodiversity values in areas where we will operate

• Rehabilitation and closure include planning for closure prior to construction

2. People: We aim to create a workplace that is respectful and inclusive. We attract and retain talent by developing and supporting our people, and putting in place measures to protect their health, safety and wellbeing. Our performance was reported under the following topics:

• Health, safety and wellbeing including Covid-19, mental health

• Attracting and retaining employees

3. Governance: We conduct our business with integrity, transparency and we honour our commitments. This is underpinned and guided by a structured set of policies and procedures, and strong leadership. Our performance was reported under the following topics:

• Ethics and Conduct, inclusive of human rights and tax transparency

• Risk management, inclusive of cyber-security

• Supply chain management

4. Community: We engage meaningfully with our stakeholders and look to make a positive contribution to the communities where we operate. Our performance was reported under the following topics:

• Cultural heritage

• Stakeholder engagement

“ At Hastings, sustainability forms an integral part of the way we do business by recognising the long-term shared value it yields. Hastings believes good governance and social trust gives us a competitive advantage and contributes to enhanced performance by operating in a manner that will benefit others and leave a legacy that will benefit future generations. We can only achieve this by doing what is right for our people across all races, cultures and age groups, the environment, and our communities. ”

– Charles Lew, Executive Chairman

This year Hastings has put in place a corporate governance framework that prioritises embedding ESG performance into our organisational culture, workplace practices, and business process. An ESG Committee led by our Executive Chairman was established to implement a sustainability strategy that underpins various initiatives and plans for our flagship Yangibana Rare Earths Project to deliver a mixed rare earths carbonate product to our global customers in 2024.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The following summary of events were significant milestones in the state-of-affairs of the Group during the year:

- The Project's capital cost estimate decreased by \$68 million based on the decoupling and relocation of the hydrometallurgical plant to Onslow;
- The January 2021 appointment of Non-Executive Director Mr Bruce McFadzean and February 2021 appointment of Chief Financial Officer Mr Matthew Allen;
- \$121.5 million in equity raised from share placements and share purchase plans;
- The Company's inclusion in the All Ordinaries Index on the Australian Securities Exchange ("ASX");
- Signing of a major offtake contract with thyssenkrupp Materials Trading GmbH, agreeing to supply 9,000 tonnes per annum of Mixed Rare Earth Carbonate for the first 5 years and 5,000 tonnes per annum for the second 5 years; and
- Drilling campaigns confirmed increased grades and extensions to ore bodies, increasing the Project's Measured and Indicated Mineral Resources, with the total Mineral Resource estimate increased to 27.42Mt at 0.97% total rare earth oxides.

SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

Since 30 June 2021 the Group has announced:

- The Yangibana Project's total Ore Reserve increased 37% to 16.7Mt at

0.95% TREO, extending the mine's life to at least 15 years. TREO tonnes rose 15% to 158,400t, with NdPr increasing 18% to 58,300t;

- Onslow selected as the site for the Yangibana Project's hydrometallurgical plant;
- Ore sorter testwork resulting in a 26% uplift in mine head grade;
- Site works commencement at the Yangibana Project; and
- Western Australian State Government's commendation for Yangibana Rare Earths Project and approval for Onslow hydrometallurgical plant site.

Other than as outlined above, there were no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or state-of-affairs of the consolidated entity in future financial years.

SHARES UNDER OPTION

At the date of this report there were 126,651,415 listed options on issue exercisable at 25 cents per share expiring on 12 April 2022.

The Group has 41,215,000 performance rights on issue to Directors and employees, of which 2,500,000 were issued during the year to newly appointed Non-Executive Director, Mr Bruce McFadzean, and 3,000,000 to Chief Financial Officer, Mr Matthew Allen. Additionally, 3,250,000 performance rights were issued subsequent to the financial year.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

During the coming financial year, the Group plans to focus on sourcing the balance of funding for the Project, initial site infrastructure works, and commencing plant construction of the Project.

The material business risks faced by the Group that are likely to impact the financial prospects of the Group, and how the Group manages these risks, are:

- Future capital needs – The Group currently does not generate cash from its operations and will require further funding to develop the Yangibana Project in a period of rapidly escalating construction prices, meet exploration obligations, and cover corporate costs.
- Development risks – The Yangibana Project has a substantial resource and will face development, construction, and commissioning risk prior to going into production. The Group employs technical specialists and engages external consultants where appropriate to address this risk.
- Commodity price risk – As a Group which is focused on the exploration and bringing into production of rare earth oxides, notably neodymium, praseodymium, dysprosium, and terbium, it is exposed to movements in the price of these commodities. The Group monitors historical and forecast price information from a range of sources to support its planning and decision making.

ENVIRONMENTAL LEGISLATION

The consolidated entity is subject to significant environmental and monitoring requirements in respect of its natural resources' exploration and development activities.

The Directors are not aware of any significant breaches of these requirements during the period.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The consolidated entity has agreed to indemnify all Directors of the Group for any liabilities to another person

(other than the Group or related body corporate) that may arise from their position as Directors of the Group, except where the liability arises out of conduct involving a lack of good faith.

INDEMNITY OF AUDITORS

The Group has agreed to indemnify its auditors, PricewaterhouseCoopers, to the extent permitted by law, against any claim by a third party arising from the Group's breach of their agreement. The indemnity stipulates that Hastings Technology Metals Limited will meet the full amount of any such liabilities including a reasonable amount of legal costs.

PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Group with leave of the Court under section 237 of the Corporations Act 2001.

REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for key management personnel of Hastings Technology Metals Limited for the financial year ended 30 June 2021.

The following people acted as key management personnel during the financial year:

Name	Particulars	
Mr Charles Lew	Executive Chairman	• Provide competitive remuneration, referencing appropriate industry market benchmarks;
Mr Guy Robertson	Executive Director	
Mr Jean Claude Steinmetz	Non-Executive Director	• Present progressive incentive structures to encourage outstanding performance;
Mr Neil Hackett	Non-Executive Director	
Mr Malcolm Randall	Non-Executive Director	• Provides a mix of rewards that will attract, retain, and motivate Executives;
Mr Bruce McFadzean	Non-Executive Director – Appointed 1 January 2021	
Mr Andrew Reid	Chief Operating Officer	• Rewards behaviour and performance that are aligned to the company goals, values, and external stakeholder expectations.
Mr Matthew Allen	Chief Financial Officer – Appointed 1 February 2021	

REMUNERATION COMMITTEE

The Remuneration Committee of the Board of Directors of the Group is responsible for determining and reviewing remuneration arrangements for the Directors and Executives.

The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of Directors and Executives on a periodic basis referencing relevant employment market conditions, peer benchmarking and independent remuneration benchmarking with an overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team.

STATUTORY KEY PERFORMANCE INDICATORS OF THE GROUP OVER THE LAST FIVE YEARS

	2021	2020	2019	2018	2017
Loss for the year attributable to owners of Hastings Technology Metals Limited	6,334,423	4,230,338	5,143,029	2,891,278	1,523,429
Basic loss per share (cents)	0.48	0.43	0.65	0.43	0.30
Opening share price (cents)	11.5	15.0	22.5	9.0	7.3
Closing share price (cents)	17.0	11.5	15.0	22.5	9.0
Increase/(decrease) in share price	48%	(23%)	(33%)	150%	23%

REMUNERATION STRUCTURE

In accordance with best practice corporate governance, the structure of non-executive director and senior management remuneration is separate and distinct.

NON-EXECUTIVE DIRECTOR REMUNERATION

The Board seeks to set aggregate remuneration at a level that provides the Group with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The latest determination was at the Annual General Meeting held on 30 November 2010 when shareholders approved an aggregate remuneration of up to \$250,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders, and the manner in which it is apportioned amongst Directors, is reviewed

annually. The Board considers advice from external shareholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each director receives a fee for being a director of the Group.

The remuneration of directors for the period ended 30 June 2021 is detailed below.

SENIOR MANAGER AND EXECUTIVE DIRECTOR REMUNERATION

Remuneration consists of fixed remuneration and performance rights to shares (as determined from time-to-time). In addition to Group employees and directors, the Group may contract key consultants on a contractual basis. These contracts stipulate the remuneration to be paid to the consultants.

FIXED REMUNERATION

Fixed remuneration is reviewed annually by the Remuneration Committee. The process consists of a review of relevant

comparative remuneration in the market, performance of the executive, Company performance and, where appropriate, external advice on policies and practices. The Committee has access to external, independent advice where necessary. Fixed remuneration is paid in the form of cash payments.

The fixed remuneration component of the key management personnel is detailed below.

All Directors have a letter of appointment. Remuneration of Non-Executive Directors is set at \$60,000 per annum (inclusive of superannuation where applicable) and the Executive Chairman at \$525,000 per annum. Non-Executive Director fees over and above \$60,000 per annum are for additional consulting services paid at agreed rates. Due to the impact of COVID-19 on the Group, all Key Management Personnel had agreed to a 20% reduction in fees or salaries for the period April – September 2020. Key Management Personnel contract details are as follows:

Name	Position	Directors' Fee \$ ³	Other Fees/Salary \$ ³	Termination Notice Period
Mr Charles Lew	Executive Chairman	120,000	405,000	12 months
Mr Guy Robertson	Executive Director	60,000	36,000	-
Mr Jean Claude Steinmetz ¹	Non-Executive Director	60,000	-	-
Mr Neil Hackett ²	Non-Executive Director	60,000	-	-
Mr Malcolm Randall	Non-Executive Director	60,000	-	-
Mr Bruce McFadzean	Non-Executive Director	60,000	-	-
Mr Andrew Reid	Chief Operating Officer	-	413,568	3 months
Mr Matthew Allen	Chief Financial Officer	-	353,568	8 weeks

FIXED REMUNERATION *CONTINUED*

¹Mr Steinmetz's agreement provides for additional consulting services at a daily rate

²Mr Hackett receives an hourly fee as joint company secretary, which are included in the table below

³All fees are per annum and inclusive of superannuation where applicable, pre the agreed 20% reduction in fees for all Key Management Personnel for April – September 2020, and include superannuation where applicable.

REMUNERATION OF KEY MANAGEMENT AND PERSONNEL

Table 1: Key management personnel remuneration for the year ended 30 June 2021

	Short-term employee benefits Salary & Fees \$	Annual leave and long service leave \$	Post- employment benefits Superannuation \$	Equity Performance Rights ¹ \$	Total \$	% Performance Related
Mr Charles Lew	498,750	-	-	616,291	1,115,041	55.3
Mr Guy Robertson ²	96,000	-	-	74,282	170,282	43.6
Mr Jean Claude Steinmetz	57,000	-	-	74,282	131,282	56.6
Mr Neil Hackett ³	70,036	-	-	74,282	144,318	51.5
Mr Malcolm Randall	52,055	-	4,945	123,803	180,803	68.5
Mr Bruce McFadzean ⁴	27,397	-	2,603	133,311	163,311	81.6
Mr Andrew Reid	376,502	10,676	21,694	96,282	505,154	19.1
Mr Matthew Allen ⁵	137,500	11,579	9,039	99,960	258,078	38.7
Total	1,315,240	22,255	38,281	1,292,493	2,668,269	48.4

¹Performance rights have been granted and valued, however vesting is subject to performance hurdles except for the following which have vested: Mr Lew \$77,500, and Mr Reid \$59,500

²Mr Robertson is paid through Integrated CFO Solutions Pty Ltd, a company in which he has a controlling interest

³Mr Hackett is paid through Corporate-Starboard Pty Ltd, a company in which he has a controlling interest

⁴Mr McFadzean was appointed 1 January 2021

⁵Mr Allen was appointed 1 February 2021

Table 2: Key management personnel remuneration for the year ended 30 June 2020

	Short-term employee benefits Salary & Fees \$	Annual leave and long service leave \$	Post- employment benefits Superannuation \$	Equity Performance Rights ¹ \$	Total \$	% Performance Related
Mr Charles Lew	498,750	-	-	60,966	559,716	10.9
Mr Guy Robertson ²	92,000	-	-	-	92,000	-
Mr Jean Claude Steinmetz	62,500	-	-	15,241	77,741	19.6
Mr Neil Hackett ³	65,617	-	-	-	65,617	-
Mr Malcolm Randall	52,055	-	4,945	-	57,000	-
Mr Andrew Reid	370,502	7,791	25,000	66,068	469,361	14.1
Total	1,141,424	7,791	29,945	142,275	1,321,435	10.8

¹Performance rights have been granted and valued, however vesting is subject to performance hurdles except for the following which have vested: Mr Lew \$60,966, Mr Steinmetz \$15,241, Mr Reid \$77,107

²Mr Robertson is paid through Integrated CFO Solutions Pty Ltd, a company in which he has a controlling interest. Mr Robertson was reappointed as a director on 23 August 2019

³Mr Hackett is paid through Corporate-Starboard Pty Ltd, a company in which he has a controlling interest

Director performance rights in existence during the year ended 30 June 2021 (and the prior comparative year) were approved for granting at either the 2019 Annual General Meeting (27 November 2019) or 2020 Annual General Meetings ("AGM") on 30 November 2020, except for the Director performance rights issued to Mr McFadzean on his appointment as Director (1 January 2021).

At the 2020 Annual General Meeting (30 November 2020), shareholders approved the granting of 17,000,000 performance rights to Directors. The performance rights were valued at \$0.16/performance right based on the Black-Scholes Model utilising the following assumptions:

- \$0.16 share price at grant date;
- 3 year maturity period;
- 0.09-0.11% risk-free interest rate; and
- 2.67-7.01% volatility.

Vesting occurs up until the end of the last performance period ended 31 December 2023, with a nil exercise price, if the following performance conditions are met:

Non-market based performance conditions

- 30% of the performance rights will vest on commencement of construction of the beneficiation plant in 2021;
- 30% of the performance rights will vest on commencement of construction of the hydrometallurgy plant before 31 December 2022; and
- 40% of the performance rights will vest on achieving production throughput performance of no less than 90% of beneficiation design capacity for a consecutive period of no less than 3 days post C3 commissioning but not exceeding 180 days post C3 commissioning.

All 17,000,000 performance rights remain outstanding as at the date of this report.

In addition to the 17,000,000 Directors' performance rights granted at the 2020 AGM, 2,500,000 Director performance rights were issued to Mr McFadzean on his appointment

as Director on 1 January 2021. These performance rights were issued on the same terms as the 17,000,000 Directors' performance rights and were valued at \$0.18/performance right based the Black-Scholes Model utilising the following assumptions:

- \$0.18 share price at grant date;
- 3 year maturity period;
- 0.001% risk-free interest rate; and
- 0.04-0.16% volatility.

The 2,500,000 performance rights remain outstanding as at the date of this report.

At the 2020 AGM shareholders also approved the granting of an addition 2,000,000 employee performance rights to Mr Lew. The performance rights were valued at \$0.16/performance right based on the Black-Scholes Model utilising the following assumptions:

- \$0.16 share price at grant date;
- 2.2 year maturity period;
- 0.09-0.11% risk-free interest rate; and
- 0.52-3.22% volatility.

These employee performance rights have a nil exercise price, and vest based on the following performance conditions being met:

Non-market based performance conditions

- 25% of the performance rights will vest 31 December 2020 upon demonstrating improvement in project CAPEX estimate vs published in November 2019 - \$517 million. Improvement in CAPEX must be greater than 10% or \$52 million;
- 25% of the performance rights will vest 31 December 2021 on confirmation a) CAPEX is +/- 5% of \$449 million, b) OPEX is within a +/- 5% variation from the November 2019 Life-Of-Mine of \$20.50, and c) a 10% improvement in the net present valuation as published in November 2019 of \$549 million; and
- 50% of the performance rights will vest 31 December 2022 on confirmation construction is on schedule and on budget within

a 5% variance to time and budget according to the Master Schedule and Master Budget as of 31 December 2022.

1,500,000 of these performance rights remain outstanding as at the date of this report.

On 23 October 2020, Mr Reid was granted 1,700,000 employee performance rights on the same terms as Mr Lew's employee performance rights. These performance rights were valued at \$0.14 per performance right based on the Black-Scholes Model utilising the following assumptions:

- \$0.14 share price at grant date;
- 2.2 year maturity period;
- 0.09-0.11% risk-free interest rate; and
- 0.52-3.22% volatility.

Mr Allen was granted 3,000,000 employee performance rights on his appointment as Chief Financial Officer on 1 February 2021. These performance rights were valued at \$0.21 per performance right based on the Black-Scholes Model utilising the following assumptions:

- \$0.21 share price at grant date;
- 2 year maturity period;
- 0.001% risk-free interest rate; and
- 0.34-0.36% volatility.

Vesting of Mr Allen's performance rights occurs up until the end of the last performance period ended 31 December 2022, with a nil exercise price, if the following performance conditions are met:

- 1,000,000 of the performance rights will vest in 2021 on confirmation a) CAPEX is +/- 5% of \$449 million, b) OPEX is within a +/- 5% variation from the November 2019 Life-Of-Mine of \$20.50, and c) a 10% improvement in the net present valuation as published in November 2019 of \$549 million; and

- 2,000,000 of the performance rights will vest in 2023 on confirmation construction is on schedule and on budget within a 5% variance to time and budget according to the Master Schedule and Master Budget as of 31 December 2022.

- 0.88% risk-free interest rate; and

- 4.69% volatility.

These performance rights had a nil exercise price, and vested based on the following performance conditions being met:

Non-market based performance conditions

- 30% of the performance rights will vest on positive determination of the final investment decision, being the decision to proceed with the development of the Yangibana Rare Earths Project based on having the requisite government permits and sufficient funds to fund construction of the mine and process plant;

- 30% of the performance rights will vest on first ore into the SAG mill by the C3 Commissioning date, being the date of initial feeding of ore grade material into the crusher and SAG mill and the introduction of chemical reagents into the process plant under load so as to achieve stable operating conditions; and

- 40% of the performance rights will vest on achieving production throughput performance of no less than 90% of beneficiation design capacity for a consecutive period of no less than 3 days post C3 Commissioning but not exceeding 180 days post C3 Commissioning.

All 17,000,000 performance rights were cancelled at the 2020 Annual General Meeting.

SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL

	Balance at beginning of period	Purchased	On vesting of performance rights	Other	Balance at end of period
30 June 2021	Ord	Ord	Ord	Ord	Ord
Mr Charles Lew ¹	113,289,155	9,814,579	500,000	-	123,603,734
Mr Guy Robertson	331,472	120,000	-	-	451,472
Mr Jean Claude Steinmetz	3,720,890	-	-	-	3,720,890
Mr Neil Hackett	-	-	-	-	-
Mr Malcolm Randall ²	115,074	60,000	-	-	175,074
Mr Bruce McFadzean	-	263,157	-	-	263,157
Mr Andrew Reid	530,000	-	425,000	-	955,000
Mr Matthew Allen	-	-	-	-	-
Total	117,986,591	10,257,736	925,000	-	129,169,327

¹ 71,883,402 shares are held by nominee entities on Mr Lew's behalf

² 115,074 shares are held by nominee entities on Mr Randall's behalf

	Balance at beginning of period	Purchased	On vesting of performance rights	Other	Balance at end of period
30 June 2020	Ord	Ord	Ord	Ord	Ord
Mr Charles Lew ¹	103,289,155	-	10,000,000	-	113,289,155
Mr Guy Robertson	-	-	-	331,472	331,472
Mr Jean Claude Steinmetz	720,890	500,000	2,500,000	-	3,720,890
Mr Neil Hackett	-	-	-	-	-
Mr Malcolm Randall ²	115,074	-	-	-	115,074
Mr Andrew Reid	30,000	-	500,000	-	530,000
Total	104,155,119	500,000	13,000,000	331,472	117,986,591

¹ 71,883,402 shares are held by nominee entities on Mr Lew's behalf

² 115,074 shares are held by nominee entities on Mr Randall's behalf

OPTION HOLDINGS OF KEY MANAGEMENT PERSONNEL

During the year ended 30 June 2019, the Group issued listed options exercisable at 25 cents per share expiring on 12 April 2022. The options were issued as free attaching options to a share placement based on one option for every two new shares purchased.

	Balance at beginning of period	Purchased	On vesting of performance rights	Other	Balance at end of period
30 June 2021	Ord	Ord	Ord	Ord	Ord
Mr Charles Lew	2,941,177	1,951,500	-	-	4,892,677
Mr Guy Robertson	-	-	-	-	-
Mr Jean Claude Steinmetz	100,000	-	-	-	100,000
Mr Neil Hackett	-	-	-	-	-
Mr Malcolm Randall ¹	32,537	-	-	-	32,537
Mr Bruce McFadzean	-	-	-	-	-
Mr Andrew Reid	15,000	-	-	-	15,000
Mr Matthew Allen	-	-	-	-	-
Total	3,088,714	1,951,500	-	-	5,040,214

¹ 32,537 options are held by nominee entities on Mr Randall's behalf

	Balance at beginning of period	Purchased	On vesting of performance rights	Other	Balance at end of period
30 June 2021	Ord	Ord	Ord	Ord	Ord
Mr Charles Lew	2,941,177	-	-	-	2,941,177
Mr Guy Robertson	-	-	-	-	-
Mr Jean Claude Steinmetz	100,000	-	-	-	100,000
Mr Neil Hackett	-	-	-	-	-
Mr Malcolm Randall ¹	32,537	-	-	-	32,537
Mr Andrew Reid	15,000	-	-	-	15,000
Total	3,088,714	-	-	-	3,088,714

¹ 32,537 options are held by nominee entities on Mr Randall's behalf

PERFORMANCE RIGHTS HELD BY DIRECTORS AND KEY MANAGEMENT PERSONNEL

The following performance rights were held during the current and prior year and are subject to the Group achieving certain milestones as set out above.

	Number	Grant date	Performance period to	% vested	% lapsed/cancelled
Mr Charles Lew	10,000,000	28 November 2016	28 November 2019	100%	-
Mr Charles Lew	10,000,000	27 November 2019	31 December 2022	-	100%
Mr Charles Lew	10,000,000	30 November 2020	31 December 2023	-	-
Mr Charles Lew	2,000,000	30 November 2020	31 December 2022	25%	-
Mr Guy Robertson	1,500,000	27 November 2019	31 December 2022	-	100%
Mr Guy Robertson	1,500,000	30 November 2020	31 December 2023	-	-
Mr Jean Claude Steinmetz	2,500,000	28 November 2016	28 November 2019	100%	-

PERFORMANCE RIGHTS HELD BY DIRECTORS AND KEY MANAGEMENT PERSONNEL *CONTINUED*

Mr Jean Claude Steinmetz	1,500,000	27 November 2019	31 December 2022	-	100%
Mr Jean Claude Steinmetz	1,500,000	30 November 2020	31 December 2023	-	-
Mr Neil Hackett	1,500,000	27 November 2019	31 December 2022	-	100%
Mr Neil Hackett	1,500,000	30 November 2020	31 December 2023	-	-
Mr Malcolm Randall	2,500,000	27 November 2019	31 December 2022	-	100%
Mr Malcolm Randall	2,500,000	30 November 2020	31 December 2023	-	-
Mr Bruce McFadzean	2,500,000	1 January 2021	31 December 2023	-	-
Mr Andrew Reid	3,000,000	4 June 2019	31 December 2021	17%	83%
Mr Andrew Reid	1,700,000	23 October 2020	31 December 2022	25%	-
Mr Matthew Allen	3,000,000	19 January 2021	31 December 2022	-	-

PERFORMANCE RIGHTS

30 June 2021	Balance at beginning of period	Vested and Exercised During Period	Granted as remuneration	Lapsed or Cancelled	Balance at end of period	Max value yet to vest ¹
Mr Charles Lew	10,000,000	(500,000)	12,000,000	(10,000,000)	11,500,000	\$1,243,709
Mr Guy Robertson	1,500,000	-	1,500,000	(1,500,000)	1,500,000	\$158,218
Mr Jean Claude Steinmetz	1,500,000	-	1,500,000	(1,500,000)	1,500,000	\$158,218
Mr Neil Hackett	1,500,000	-	1,500,000	(1,500,000)	1,500,000	\$158,218
Mr Malcolm Randall	2,500,000	-	2,500,000	(2,500,000)	2,500,000	\$263,697
Mr Bruce McFadzean	-	-	2,500,000	-	2,500,000	\$329,189
Mr Andrew Reid	2,500,000	(425,000)	1,700,000	(2,500,000)	1,275,000	\$141,718
Mr Matthew Allen	-	-	3,000,000	-	3,000,000	\$530,040
Total	19,500,000	(925,000)	26,200,000	(19,500,000)	25,275,000	\$2,983,007

30 June 2020	Balance at beginning of period	Vested and Exercised During Period	Granted as remuneration	Lapsed or Cancelled	Balance at end of period	Max value yet to vest ¹
Mr Charles Lew	10,000,000	(10,000,000)	10,000,000	-	10,000,000	\$600,000
Mr Guy Robertson	-	-	1,500,000	-	1,500,000	\$90,000
Mr Jean Claude Steinmetz	2,500,000	(2,500,000)	1,500,000	-	1,500,000	\$90,000
Mr Neil Hackett	-	-	1,500,000	-	1,500,000	\$90,000
Mr Malcolm Randall	-	-	2,500,000	-	2,500,000	\$150,000
Mr Andrew Reid	3,000,000	(500,000)	-	-	2,500,000	\$425,000
Total	15,500,000	(13,000,000)	17,000,000	-	19,500,000	\$1,445,000

¹The maximum value of the deferred shares yet to vest has been determined as the amount of the grant date fair value of the rights that is yet to be expensed. For the 2020 grant, the maximum value yet to vest for this grant was estimated based on the share price of the Company at 30 June 2020. The minimum value of deferred shares yet to vest is nil, as the shares will be forfeited if the vesting conditions are not met.

RELATED PARTY TRANSACTIONS

Office and administration costs²

2020 \$	2020 \$
87,478	91,702

²Office and administration costs were paid to Equator Capital Pte Limited, a company in which Mr Charles Lew has a controlling interest. Of this amount \$4,661 (2020: \$12,253) remains payable as at 30 June 2021.

RELIANCE ON EXTERNAL REMUNERATION CONSULTANTS

The Company did not engage any external remuneration consultants during the financial year.

VOTING OF SHAREHOLDERS AT LAST YEAR'S ANNUAL GENERAL MEETING

Hastings Technology Metals Limited received more than 95% of "yes" votes on its remuneration report for the 2020 financial year. The Company did not receive any specific feedback at the AGM on its remuneration practices.

End of audited remuneration report.

DIRECTORS' MEETINGS

The number of meetings of Directors (including meetings of Committees of Directors) held during the year and the number of meetings attended by each Director was as follows:

Director	Director Meetings		Audit Committee		Remuneration Committee	
	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend
Mr Charles Lew	13	13	2	2	2	2
Mr Guy Robertson	13	13	2	2	2	2
Mr Jean Claude Steinmetz	13	13	-	-	2	2
Mr Neil Hackett	11	13	2	2	-	-
Mr Malcolm Randall	13	13	2	2	2	2
Mr Bruce McFadzean	7	8	-	-	-	-

In addition to the above meeting attendances, 5 circular resolutions were signed by the Board during the year.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, PricewaterhouseCoopers, to provide the Directors of the Group with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 49 and forms part of this Directors' Report for the year ended 30 June 2021.

AUDIT AND NON-AUDIT SERVICES

Details on the amounts paid or payable to the auditor (PricewaterhouseCoopers Australia) for audit and non-audit services during the year are disclosed in in note 24.

The company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

The Board, in accordance with advice provided by the Audit Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

Signed in accordance with a resolution of the Directors.



Charles Lew
Executive Chairman
30 September 2021

Corporate Governance Statement

The Board of Directors of Hastings Technology Metals Ltd is responsible for the corporate governance of the Group.

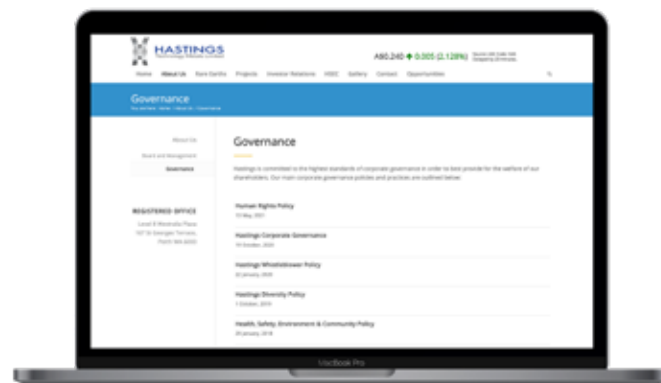
Hastings Technology Metals Ltd, through its Board and executives, recognises the need to establish and maintain corporate governance policies and practices that reflect the requirements of the market regulators and participants, and the expectations of members and others who deal with the Company. These policies and practices remain under constant review as the corporate governance environment and good practices evolve.

ASX CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS

The fourth edition of ASX Corporate Governance Council Principles and Recommendations (the “Principles”) sets out recommended corporate governance practices for entities listed on the ASX.

The Group has issued a Corporate Governance Statement which discloses the Group’s corporate governance practices and the extent to which the Group has followed the recommendations set out in the Principles.

The Corporate Governance Statement was approved by the Board on 30 September 2021 and is available on the Group’s website: hastingstechmetals.com/about-us/governance/



Auditor’s Independence Declaration

As lead auditor for the audit of Hastings Technology Metals Limited for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit, and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Hastings Technology Metals Limited and the entities it controlled during the period.

Helen Bathurst

Helen Bathurst
Partner
PricewaterhouseCoopers

Perth
30 September 2021



PricewaterhouseCoopers, ABN 52 780 433 757
Brookfield Place, 125 St Georges Terrace, PERTH WA 6000, GPO Box D198, PERTH WA 6840
T: +61 8 9238 3000, F: +61 8 9238 3999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2021

		Consolidated	
	Notes	2021 \$	2020 \$
Continuing operations			
Other income	2	175,915	226,707
Administration expenses		(532,305)	(558,678)
Depreciation – plant and equipment	11	(130,484)	(130,071)
Depreciation – right-of-use assets		(187,459)	(138,394)
Directors' fees		(808,786)	(775,867)
Occupancy expenses		(162,109)	(137,288)
Employee benefits expense	3	(1,898,344)	(1,826,396)
Legal fees		(290,958)	(84,611)
Consulting and professional fees		(369,311)	(262,487)
Travel expenses		(19,976)	(140,138)
Share-based payments	4	(2,091,034)	(370,332)
Finance costs		(18,301)	(26,236)
Loss before income tax expense		(6,333,152)	(4,223,791)
Income tax benefit	5	-	-
Net loss for the period		(6,333,152)	(4,223,791)
Other comprehensive loss		(1,271)	(6,547)
Total comprehensive loss for the period		(6,334,423)	(4,230,338)

	Notes	2021 Cents per Share	2020 Cents per Share
Basic and diluted loss per share	6	(0.48)	(0.43)

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Financial Position

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

		Consolidated	
	Notes	2021 \$	2020 \$
Assets			
Current assets			
Cash and cash equivalents	7	28,067,095	9,453,516
Trade and other receivables	9	4,612,174	3,891,701
Other financial assets at amortised cost	10	82,000,000	-
Total current assets		114,679,269	13,345,217
Non-current assets			
Plant and equipment	11	46,446,450	43,038,256
Right-of-use assets		78,926	266,385
Deferred exploration and evaluation expenditure	12	64,704,236	57,224,056
Total non-current assets		111,229,612	100,528,697
Total assets		225,908,881	113,873,914
Liabilities			
Current liabilities			
Trade and other payables	13	2,692,483	3,407,171
Lease liability		112,189	203,025
Borrowings	14	-	9,078
Employee benefit obligations		202,703	143,108
Total current liabilities		3,007,375	3,762,382
Non-current liabilities			
Lease liability		-	112,189
Rehabilitation provision		883,683	-
Employee benefit obligations		86,394	56,343
Total non-current liabilities		970,077	168,532
Total Liabilities		3,977,452	3,930,914
Net Assets		221,931,429	109,943,000
Equity			
Issued capital	15	242,275,502	125,691,027
Reserves	16	8,285,175	6,546,798
Accumulated losses		(28,629,248)	(22,294,825)
Total Equity		221,931,429	109,943,000

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2021

	Issued Capital	Accumulated Losses	Option Revaluation Reserve	Share-Based Payment Reserve	Total
Notes	\$	\$	\$	\$	\$
Balance at 1 July 2020	125,691,027	(22,294,825)	6,546,798	-	109,943,000
Loss for the year	-	(6,333,152)	-	-	(6,333,152)
Other comprehensive loss	-	(1,271)	-	-	(1,271)
Total comprehensive loss for the year	-	(6,334,423)	-	-	(6,334,423)
Shares/options issued during the year	121,923,528	-	243,309	-	122,166,837
Exercised options	41	-	(41)	-	-
Transaction costs on share issue	(5,935,019)	-	-	-	(5,935,019)
Share-based payments	-	-	-	2,091,034	2,091,034
Transfer from share-based payments	595,925	-	-	(595,925)	-
Balance at 30 June 2021	242,275,502	(28,629,248)	6,790,066	1,495,109	221,931,429
Balance at 1 July 2019	112,858,264	(18,055,028)	4,299,329	342,710	99,445,275
Change in accounting policy	-	(9,459)	-	-	(9,459)
Restated total equity at 1 July 2019	112,858,264	(18,064,487)	4,299,329	342,710	99,435,816
Loss for the year	-	(4,223,791)	-	-	(4,223,791)
Other comprehensive loss	-	(6,547)	-	-	(6,547)
Total comprehensive loss for the year	-	(4,230,338)	-	-	(4,230,338)
Shares/options issued during the year	12,816,363	-	2,247,469	-	15,063,832
Transaction costs on share issue	(696,642)	-	-	-	(696,642)
Share-based payments	-	-	-	370,332	370,332
Transfer from share-based payments	713,042	-	-	(713,042)	-
Balance at 30 June 2020	125,691,027	(22,294,825)	6,546,798	-	109,943,000

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Consolidated 2021 \$	Consolidated 2020 \$
Inflows/(Outflows)			
Cash flows from operating activities			
Payments to suppliers and employees		(4,828,127)	(6,749,618)
Interest and finance costs paid		(10,872)	(26,236)
Government grants received		61,918	50,000
Interest received		74,990	195,644
Net cash used in operating activities	8	(4,702,091)	(6,530,210)
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		(6,577,778)	(4,434,688)
Payments for plant and equipment		(4,172,677)	(14,441,545)
Research and development tax offset in relation to exploration assets		506,025	1,785,578
Payments for other financial assets at amortised cost	10	(82,000,000)	-
Net cash used in investing activities		(92,244,430)	(17,090,655)
Cash flows from financing activities			
Proceeds from issue of shares and options		121,531,669	15,063,831
Payments for share issue costs		(5,755,020)	(696,642)
Proceeds from borrowings	14	-	1,471,289
Repayment of borrowings	14	(9,078)	(1,462,210)
Advance from Director		-	455,169
Principal element of lease payments		(203,024)	(146,906)
Net cash provided by financing activities		115,564,547	14,684,531
Net increase/(decrease) in cash held		18,618,026	(8,936,334)
Foreign exchange loss		(4,447)	(607)
Cash and cash equivalents at the beginning of the period		9,453,516	18,390,457
Cash and cash equivalents at the end of the period	7	28,067,095	9,453,516

The accompanying notes form part of these consolidated financial statements.



Notes to the Financial Statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law.

The accounting policies detailed below have been consistently

applied to all years presented unless otherwise stated. The consolidated financial statements are for the consolidated entity consisting of Hastings Technology Metals Ltd and its subsidiaries. Hastings Technology Metals Ltd is a for-profit entity for the purpose of preparing the consolidated financial statements.

The financial report has also been prepared on a historical cost basis.

Cost is based on the fair values of the consideration given in exchange for assets.

The Group is a listed public company, incorporated and operating in Australia. The entity's principal activity is exploration for and development of natural resources.

(b) Statement of Compliance

The financial report was authorised for issue by the Board on 30 September 2021. The Board has the power to amend the consolidated financial statements after their issue.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the consolidated financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(c) Effects of Changes in Accounting Policy

A number of amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of these amended standards. The Group has not applied any standards and amendment for the first time for their annual reporting period commencing 1 July 2020.

New standards not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2021 reporting period and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

(a) Going concern

The consolidated financial statements have been prepared on a going concern basis which contemplates the realisation of assets and the settlement of liabilities in the normal course of business.

As disclosed in the consolidated financial statements, the Group incurred a comprehensive loss of \$6,334,423, had net cash outflows from operating activities of \$4,702,091. Furthermore, the

Group had outstanding commitments for construction contracts of \$13,129,306, of which \$8,943,421 are cancellable at the Group's discretion. The outstanding commitments are all due within 12 months.

Considering the Group's positive net cash position of \$109,954,906 (refer to Note 8(b)), and the forecasted cash outflows over the next 12 months, the Directors expect that the Group can continue its normal business activities, subject to any changes to the underlying assumptions on which those forecasts have been made. This includes the ability to extinguish liabilities as and when they fall due without the need for additional funding. The Directors therefore have determined it is appropriate for the financial statements to be prepared on a going concern basis.

The development of the Yangibana Project is dependent on the Group securing additional funding, the current status of which is set out below:

- The Northern Australia Infrastructure Facility ("NAIF"), an Australian Government implemented initiative, is currently undertaking a review of the Group for potential infrastructure debt financing;
- The Group received confirmation of in-principal eligibility from Finnvera Oyj for project financing of up to \$93.8 million (refer to 1 July 2020 ASX announcement "Hastings Receives In-Principle Eligibility From Finnvera For The Project Financing Of Yangibana Rare Earth Project");
- To assist the Group raise project debt capital, KPMG have been engaged for support with, but not limited to, senior debt and any form of junior capital including but not limited to subordinated and mezzanine finance, hybrid debt and debt like capital;
- The Group has issued HASO share options with an expiry date of 12 April 2022, which if exercised by this date, would supplement the Group's cash balance by a further \$31.6 million; and
- The Directors are of the view that the Group will be able to raise further equity capital.

(b) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of Hastings Technology Metals Ltd ("Company" or "parent entity") as at 30 June 2021 and the results of subsidiaries for the year then ended. Hastings Technology Metals Ltd and its subsidiaries are referred to in this financial report as the Group or the Consolidated Entity. The financial statements of the subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated.

A group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

(c) Critical accounting judgements and key sources of estimation uncertainty

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Deferred exploration expenditure:

The Directors continually assess the Group's exploration projects

to determine the existence of any indications of impairment. Where any such indications are present, an impairment assessment is conducted under AASB 6 Exploration for and Evaluation of Mineral Resources and any resulting impairment is expensed to profit and loss. During the current financial year, no impairment triggers were identified.

Property, plant, and equipment:

The Directors continually assess the Group's property, plant, and equipment to determine the existence of any indications of impairment. Where any such indications are present, an impairment assessment is conducted under AASB 136 Impairment of Assets and any resulting impairment is expensed to profit and loss. During the current financial year, no impairment triggers were identified.

Share-based payment transactions:

The Group measures the cost of equity-settled transactions by reference to the fair value of the services provided. Where the services provided cannot be reliably estimated fair value is measure by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of share-based payments is determined using either a Black-Scholes model or external valuations, refer to Note 4 and Note 16.

Issued options:

The Group issued options in conjunction with share placements and rights issues. The fair values of the options were determined using a Black-Scholes model, refer to Note 16.

(a) Other income recognition

Other income is recognised to the extent that it is probable that the economic benefits will flow to the Group and can be reliably measured. The current sources of other income are interest income and government grants.

(b) Interest income

Interest income is recognised on a time proportionate basis that considers the effective yield on the financial asset.

(c) Government grants

Government grants relate to the stimulus grants paid by the Australian and Singaporean Governments to boost employer cash flow impacted by COVID-19. The grants are recognised when received.

(d) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents exclude term deposits with banks which mature beyond three months which are disclosed as other financial assets at amortised cost.

(e) Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Other receivables are amounts generally arising from transactions outside the usual operating activities of the Group.

Receivables are recognised initially at fair value and then subsequently measured at amortised cost, less provision for credit losses. As at 30 June 2021 the Group has determined that the expected provision for credit losses is not material. In determining the recoverability of a trade or other receivable using the expected credit loss model, the Group performs a risk analysis considering the type and age of the outstanding receivables, the creditworthiness of the counterparty, contract provisions, and timing of payments.

(f) Other financial assets at amortised cost

Term deposits with maturity terms >3 month are classified by the Group as other financial assets at amortised cost. They are recognised as financial assets on contract execution and derecognised on term deposit maturity or when the term is broken and funds transferred to cash and cash equivalents.

At initial recognition, the Group measures a financial asset at its fair

value plus transaction costs that are directly attributable to the acquisition of the financial asset. Subsequent measurement of the term deposits is at amortised cost. Interest income from the term deposit is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss.

The credit risk on term deposits with maturity terms >3 months is considered low as the counterparties are banks with high credit ratings assigned by international credit rating agencies. The Group deposits funds with financial institutions rated A- and above.

(g) Property, plant, and equipment

Property, plant, and equipment is stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant, and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use.

Plant and equipment are depreciated over a period ranging from 2 to 20 years and in the case of mining plant over the life-of-mine, currently projected to be 15 years. The accommodation village is currently under construction.

Software is depreciated over a period ranging from 3 to 5 years.

The assets' residual values and useful lives are reviewed, and adjusted where appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

(h) Exploration and evaluation

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

I. the rights to tenure of the area of interest are current; and

II. at least one of the following conditions is also met:

a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or

b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching, and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no

larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

A decision to proceed with development in respect of a particular area of interest is determined with reference to when the commercial viability and technical feasibility are demonstrated. Once a decision to proceed has occurred, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

Research and development tax offsets received are accounted for as a reduction of exploration and evaluation costs.

(i) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Research and development tax offsets are recognised on receipt against deferred exploration expenditure.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- when the deductible temporary difference is associated with investments in subsidiaries, associates, or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to

the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(j) Other taxes

Revenues, expenses, and assets are recognised net of the amount of Goods and Services Tax ("GST") except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(k) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An

asset's recoverable amount is the higher of its fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a

systematic basis over its remaining useful life.

(l) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the reporting period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(m) Lease accounting

The Group leases various offices, equipment, and software with varying lengths from 1 month to 4 years, some with extension options.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments, less any lease incentives receivable.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

(s) Lease accounting (continued)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security, and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party

financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group; which does not have recent third-party financing; and

- makes adjustments specific to the lease, for example for term, country, currency, and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in profit or loss (unless capitalised as a component of Plant Construction in Progress). Short-term leases

are leases with a lease term of 12 months or less.

(t) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

Rehabilitation provision

The Group has obligations to dismantle and remove certain items of property, plant and equipment and to restore and rehabilitate the land on which they sit. A provision is raised for the estimated cost of settling the rehabilitation and restoration obligations existing at balance date, discounted to present value using an appropriate pre-tax discount rate.

Where the obligation is related to an item of property, plant and equipment, its cost includes the present value of the estimated costs of dismantling and removing the asset and restoring and rehabilitating the site on which it is located. Costs that relate to obligations arising from waste created by the production process are recognised as production costs in the period in which they arise.

An increase in the provision associated with unwinding of the discount rate is recognised as a finance cost.

(u) Share-based payment transactions

The Group provides incentives

to employees (including senior executives) and Directors of the Group in the form of share-based payments, whereby employees and Directors receive performance rights over shares which will vest in the event performance hurdles are met (equity-settled transactions).

The cost of these equity-settled transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted.

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The profit or loss charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled due to market conditions, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. If an equity-settled award is cancelled due to non-market conditions, it is treated as if it had vested on the date of cancellation, and no further expense is recognised. Any vested balances recognised in the share-based payment reserve is transferred and offset against retained earnings. However, if a new award is

substituted for a cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

(u) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(v) Earnings per share

Basic earnings per share is calculated as net profit/loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit/loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(w) Parent entity financial information

The financial information for the parent entity, Hastings Technology Metals Ltd, disclosed in Note 27 has been prepared on the same basis as the consolidated financial statements, except as set out below:

(i) Investments in subsidiaries, associates, and joint venture entities

Investments in subsidiaries are accounted for at cost in the financial statements of Hastings Technology Metals Ltd.

(x) Interest in a joint operation

The Group has an interest in a joint venture that is a joint operation. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. A joint operation involves use of assets and other resources of the venturers rather than establishment of a separate entity. The Group recognises its interest in the joint operation by recognising the assets that it controls and the liabilities that it incurs. The Group also recognises the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the joint operation.

(y) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Hastings Technology Metals Ltd.

(z) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollar (\$), which is Hastings Technology Metals Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss,

within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

(iii) Group Companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated

exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

(aa) Finance Costs

Finance costs principally represent interest expense, bank charges and the unwinding of discounts on lease liabilities. They are recognised in the statement of profit or loss except when directly attributable with the

construction of qualifying assets, where they are added to the cost of the qualifying asset until such time as the assets are substantially ready for their intended use or sale. Where funds are used to finance a qualifying asset form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant borrowings during the construction period.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(bb) Comparatives

Where applicable, certain comparatives have been adjusted to conform with current year presentation.

NOTE 2: OTHER INCOME

	Consolidated	
	2021 \$	2020 \$
Interest income	113,997	176,707
Government grants	61,918	50,000
	175,915	226,707

NOTE 3: EMPLOYEE BENEFITS EXPENSE

	Consolidated	
	2021 \$	2020 \$
Wages and salaries	3,758,635	4,235,703
Superannuation	286,908	331,907
Payroll tax	186,125	259,540
Recruitment	166,693	12,768
Provision for annual and long service leave	89,645	(1,344)
Other employee expenses	54,215	56,754
Geologist and technical costs capitalised	(2,643,877)	(3,068,932)
	1,898,344	1,826,396

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 4: SHARE-BASED PAYMENTS

(a) Performance rights plan

The establishment of the Company's Performance Rights Plan ("PR Plan") was approved by shareholders at the 2012 annual general meeting and last re-approved at the 2019 annual general meeting. The PR Plan is designed to provide eligible participants with an opportunity to share in the growth of the Company and to assist the Group

in retaining and attracting highly skilled and experienced people. Under the PR Plan, participants are granted rights which only vest if certain performance standards are met (refer to the Remuneration Report for performance conditions). Participation in the plan is at the Board's discretion with no guarantee to receive any benefits. All performance rights have a nil exercise price.

Performance rights are granted under the PR Plan for no consideration and carry no dividend or voting rights. When exercisable, each performance right is convertible into one ordinary share.

Refer to Note 16 for movements in the amount of performance rights on hand during the year.

	Consolidated	
	2021 \$	2020 \$
Director granted performance rights	1,096,249	78,189
Employee granted performance rights	994,785	292,143
	2,091,034	370,332

NOTE 5: INCOME TAX

	Consolidated	
	2021 \$	2020 \$
(a) Income tax expense	-	-
Current tax	-	-
Deferred tax	-	-
(b) Income tax recognised in the statement of profit or loss and other comprehensive income		
Loss from ordinary activities before tax	(6,333,152)	(4,223,791)
Income tax using the Group's domestic tax rate of 26.0% (2020: 27.5%)	(1,646,620)	(1,161,543)
Share-based payments	543,669	101,841
Other non-deductible items	262	83
Unused tax losses for which no deferred tax asset has been recognised	1,102,689	1,059,619
Income tax benefit reported in the consolidated statement of profit or loss and other comprehensive income	-	-
(c) Deferred tax balances		
Deferred tax assets comprise:	9,589,017	9,251,887
Tax losses carried forward	208,972	100,439
Accrued expenses	1,683,218	595,052
Share issue costs	11,481,207	9,947,378
Deferred tax liabilities comprise:		
Capitalised exploration costs	(11,481,207)	(9,947,378)
	(11,481,207)	(9,947,378)
(d) Income tax expense not brought to account in equity during the year		
Share issue costs	(1,543,105)	(191,576)

(e) Tax losses

The Group has total carried forward tax losses of \$54,688,429 (2020: \$41,419,394) available for offset against future assessable income of the Group. The deferred tax asset in respect of these losses has been used to offset a deferred tax liability. The net deferred tax asset attributable to residual tax losses of \$4,629,975 (2020: \$2,138,446) has not been brought to account.

The benefit of deferred tax assets not

brought to account will only be brought to account if:

- Future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised; and
- The conditions for deductibility imposed by the relevant tax legislation continue to be complied with and no changes in tax legislation adversely affect the Group in realising the benefit.

(f) Tax consolidation

Hastings Technology Metals Ltd and its wholly-owned Australia subsidiaries formed a tax consolidated group as of 1 July 2017 and have applied the tax consolidation legislation which means that these entities are taxed as a single entity. As a result, the deferred tax assets and deferred tax liabilities of these entities have been offset in the consolidated financial statements.

NOTE 6: EARNINGS PER SHARE

	2021 Cents per Share	2020 Cents per Share
Basic loss per share:		
Continuing operations	(0.48)	(0.43)

	2021 \$	2020 \$
Loss used in the calculation of total basic loss per share reconciles to net loss in the statement of profit or loss and other comprehensive income as follows:		
Loss used in the calculation of basic loss per share	(6,333,152)	(4,223,791)
Loss used in the calculation of basic loss per share from continuing operations	(6,333,152)	(4,223,791)

	Number of Shares	
The earnings and weighted average number of ordinary shares used in the calculation of basic loss per share is as follows:	1,332,302,062	985,582,644

The Group has 37,965,000 (2020: 20,250,000) performance rights on issue and a further 126,651,415 (2020: 120,060,577) listed options. The performance rights and options are not considered dilutive as the Group has a net loss.

NOTE 7: CASH AND CASH EQUIVALENTS

	2021 \$	2020 \$
Cash at bank and on hand	22,067,095	1,953,516
Short-term deposits	6,000,000	7,500,000
	28,067,095	9,453,516

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Short term deposits maturing after three months are shown as financial assets at amortised costs (refer Note 10).

The Group did not engage in non-cash financing activities.

The Group's only borrowing facility during the year ended 30 June 2021 was a \$9,078 insurance premium funding facility carried forward from 2020. The borrowing facility expired in July 2020.

During the year ended 30 June 2020 the following borrowing facilities existed:

- A \$2,000,000 short-term working capital overdraft facility overdrawn to a maximum of \$1,380,320 for 20 days in July 2019. The facility expired in July 2019; and

- A \$9,078 annual insurance premium funding facility, refer to Note 14.

NOTE 8: CASH FLOW INFORMATION

(a) Reconciliation of loss for the year to net cash flows from operating activities

	2021 \$	2020 \$
Loss for the year	(6,333,152)	(4,223,791)
Share-based payments expense	2,091,034	370,332
Depreciation – plant and equipment	130,484	129,527
Depreciation – right-of-use assets	187,459	138,394
Loss on sale of assets	-	810
<i>Changes in working capital</i>		
Increase in trade and other receivables	(716,422)	(2,497,093)
Decrease in trade and other payables	(61,494)	(448,389)
Net cash	(4,702,091)	(6,530,210)

(b) Net Cash reconciliation

	2021 \$	2020 \$
Cash and cash equivalents	28,067,095	9,453,516
Other financial assets at amortised costs (Term deposits expiring <12 months)	82,000,000	-
Lease Liability	(112,189)	(315,214)
Borrowings	-	(9,078)
Net cash	109,954,906	810

	2021 \$	2020 \$
Cash and cash equivalents	28,067,095	9,453,516
Gross assets – fixed interest rates	82,000,000	-
Gross debt – fixed interest rates	(112,189)	(334,292)
Net Cash used in operating activities	109,954,906	9,129,224

	Liabilities from financing activities			Cash \$	Other assets	
	Borrowings \$	Leases \$	Subtotal \$		Other financial assets at amortised costs \$	Total \$
Net cash as at 1 July 2019	-	-	-	18,390,457	-	18,390,457
Recognised on adoption of AASB 16	-	(344,364)	(344,364)	-	-	(344,364)
	-	(344,364)	(344,364)	18,390,457	-	18,046,093
Cash flows	1,462,211	146,905	1,609,116	(8,936,334)	-	(7,327,218)
New borrowings	(1,471,289)	-	(1,471,289)	-	-	(1,471,289)
New leases	-	(117,755)	(117,755)	-	-	(117,755)
Foreign exchange loss	-	-	-	(607)	-	(607)
Net (debt)/cash as at 30 June 2020	(9,078)	(315,214)	(324,292)	9,453,516	-	9,129,224
Cash flows	9,078	203,025	212,103	18,618,026	-	18,830,129
New other financial assets at amortised costs	-	-	-	-	82,000,000	82,000,000
Foreign exchange loss	-	-	-	(4,447)	-	(4,447)
Net (debt)/cash as at 30 June 2021	-	(112,189)	(112,189)	28,067,095	82,000,000	109,954,906

NOTE 9: TRADE AND OTHER RECEIVABLES

	2021 \$	2020 \$
Prepayments ¹	4,336,214	3,660,730
GST recoverable	118,641	74,639
Interest receivable	50,683	11,676
Other receivables	106,636	144,656
Trade and other receivables	4,612,174	3,891,701

¹ Prepayments consist predominately of debt funding transaction costs to later be offset against the fair value of future debt associated with the transaction costs. After recognition of the debt, the transaction costs are to be subsequently measured at amortised cost using the effective interest method. Should such debt not eventuate, the transaction costs are to be transferred to the Profit and Loss and expensed in full.

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance. No impairment losses were recognised against the prepayments, GST recoverable, interest receivable, and other receivables.

NOTE 10: OTHER FINANCIAL ASSETS AT AMORTISED COST

	2021 \$	2020 \$
Term deposits >3 months	82,000,000	-

NOTE 11: PLANT AND EQUIPMENT

	Plant and Equipment	Software	Construction in Progress	Total
Cost				
Opening balance, 1 July 2020	529,757	453,986	42,323,866	43,307,609
Foreign exchange	(690)	-	-	(690)
Disposals	(8,967)	-	-	(8,967)
Additions	60,160	1,976	3,476,791	3,538,927
Closing balance, 30 June 2021	580,260	455,962	45,800,657	46,836,879
Opening balance, 1 July 2019	469,888	454,046	30,591,242	31,515,176
Foreign exchange	(116)	-	-	(116)
Disposals	(1,008)	(60)	-	(1,068)
Additions	60,993	-	11,732,624	11,793,617
Closing balance, 30 June 2020	529,757	453,986	42,323,866	43,307,609
Accumulated depreciation				
Opening balance, 1 July 2020	(214,883)	(54,470)	-	(269,353)
Foreign exchange	441	-	-	441
Disposals	8,967	-	-	8,967
Depreciation	(93,119)	(37,365)	-	(130,484)
Closing balance, 30 June 2021	(298,594)	(91,835)	-	(390,429)
Opening balance, 1 July 2019	(118,074)	(21,576)	-	(139,650)
Foreign exchange	169	-	-	169
Disposals	199	-	-	199
Depreciation	(97,177)	(32,894)	-	(130,071)
Closing balance, 30 June 2020	(214,883)	(54,470)	-	(269,353)
Book value 30 June 2021	281,666	364,127	45,800,657	46,446,450
Book value 30 June 2020	314,874	399,516	42,323,866	43,038,256

NOTE 12: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

Costs carried forward in respect of areas of interest in the following phases:

	2021 \$	2020 \$
Exploration and evaluation phase – at cost		
Balance at beginning of year	57,224,056	55,087,366
Exploration expenditure	7,600,477	3,922,268
Rehabilitation provision	385,728	-
Less research and development tax offset	(506,025)	(1,785,578)
Total deferred exploration and evaluation expenditure	64,704,236	57,224,056

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phase is dependent on the successful development and commercial exploitation or sale of the respective areas.

NOTE 13: TRADE AND OTHER PAYABLES

	2021 \$	2020 \$
Trade payables ¹	1,685,660	2,509,361
Accruals	803,739	442,641
Other payables	203,084	455,169 ²
Total trade and other payables	2,692,483	3,407,171

¹ Trade payables are non-interest bearing and are normally settled on 45-day terms.

² In December 2019, the Chairman, Mr Charles Lew subscribed for \$455,169 shares in a share placement. The shares were subject to shareholder approval, with the funds received from Mr Lew treated as other payables until approved. Shareholder approval was received at the 2020 Annual General Meeting.

NOTE 14: BORROWINGS

	2021 \$	2020 \$
Unsecured – payable within 1 year ¹	-	9,078
Total borrowings	-	9,078

¹ The Group entered into premium funding arrangements for its 2020 insurance obligations. The funding was short-term and payable within 12 months.

Movement in borrowings

	2021 \$	2020 \$
Balance as at 1 July	9,078	-
Add: New borrowings	-	1,471,289
Less: Principal repayment	(9,078)	(1,462,211)
Balance as at 30 June	-	9,078

NOTE 15: ISSUED CAPITAL

	2021 \$	2020 \$
<i>Ordinary shares</i>		
At 1 July	125,691,027	112,858,264
Shares issued – placement	121,008,863	9,939,063
Shares issued – rights issue	914,500	2,877,300
Shares issued on vesting of performance rights	595,925	713,042
Exercised options	206	-
Less share issue costs	(5,935,019)	(696,642)
At 30 June	242,275,502	125,691,027

	2021 \$	2020 \$
<i>Movements in ordinary shares on issue</i>		
At 1 July	1,034,649,093	917,161,676
Movements during the period		
Shares issued on vesting of performance rights	4,030,000	16,054,333
Shares issued – share placement	692,460,173	80,733,084
Shares issued – rights issue	7,316,000	20,700,000
Exercised options	662	-
At 30 June	1,738,455,928	1,034,649,093

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

NOTE 16: RESERVES

	2021 \$	2020 \$
Listed options	6,790,066	6,546,798
Performance rights	1,495,109	-
	8,285,175	6,546,798

Listed options carry no voting rights and carry no right to dividends:

	2021 \$	2020 \$
<i>Options</i>		
At 1 July	6,546,798	4,299,329
Options issued – placement	243,309	1,605,769
Options issued – rights issue	-	641,700
Exercised options	(41)	-
At 30 June	6,790,066	6,546,798

The listed call options were valued using the Black-Scholes Option Pricing Model utilising the following parameters:

	Placement 18 December 2019	Placement 1 October 2020	Placement 30 November 2020	Rights Issue
Price per option	\$0.040	\$0.036	\$0.040	\$0.062
Number of options	40,366,543	5,000,000	1,591,500	10,350,000
Volatility	82.0%	98.0%	82.0%	64.0%
Reserve Bank of Australia cash rate	0.8%	0.2%	0.8%	1.5%

Movements in listed call options

	2021 \$	2020 \$
At 1 July	120,060,577	69,344,034
Options issued – placement	6,591,500	40,366,543
Options issued – rights issue	-	10,350,000
Exercised options	(662)	-
At 30 June	126,651,415	120,060,577

The following table illustrates the number (No.) and weighted average exercise prices of and movements in listed call options during the year:

	2021 No.	Weighted average exercise price 2021 \$	2020 No	Weighted average exercise price 2020 \$
Outstanding at the beginning of the year	120,060,577	\$0.25	69,344,026	\$0.25
Issued during the year	6,591,500	\$0.25	50,716,543	\$0.25
Exercised during the year	662	\$0.25	-	-
Outstanding at the end of the year	126,651,415	\$0.25	120,060,577	\$0.25
Exercisable at the end of the year	126,651,415	\$0.25	120,060,577	\$0.25

All options have an expiry date of 12 April 2022.

Performance rights

	2021 \$	2020 \$
Movements in the share-based payments reserve were as follows:		
Balance 1 July	-	342,710
Performance rights lapsed – transferred from accumulated losses	-	149,352
Value of performance rights issued during the year	2,091,034	220,980
Performance rights vested – transferred to issued capital	(595,925)	(713,042)
Balance 30 June	1,495,109	-

The share-based payments reserve is used to record the value of equity benefits provided to employees and directors as part of remuneration.

	2021 \$	2020 \$
Movements in performance rights were as follows:		
At 1 July	20,250,000	19,533,333
Performance rights cancelled during the year	(20,250,000)	-
Performance rights issued during the year	43,120,000	17,474,000
Performance rights vested during the year	(4,030,000)	(16,054,333)
Performance rights lapsed during the year	(1,125,000)	(703,000)
At 30 June	37,965,000	20,250,000

i. Details of the Directors' issued performance rights during the period are as follows:

Date granted	Value per share	Performance period ended
27 November 2019	6.0 cents	31 December 2020
27 November 2019	6.0 cents	31 December 2021
27 November 2019	6.0 cents	31 December 2020
30 November 2020	15.5 cents	31 December 2021
30 November 2020	15.5 cents	31 December 2022
30 November 2020	15.5 cents	31 December 2023
30 November 2020	15.5 cents	31 December 2020
30 November 2020	15.5 cents	31 December 2021
30 November 2020	15.5 cents	31 December 2022
1 January 2021	18.5 cents	31 December 2021
1 January 2021	18.5 cents	31 December 2022
1 January 2021	18.5 cents	31 December 2023

Shareholders at the Annual General Meeting held on 30 November 2020 approved the granting of 17,000,000 performance rights to Directors. The performance rights, which are subject to a three-year performance period, were valued based on the share price on grant date at 15.5 cents per performance right based on the Black-Scholes Model and replaced the cancelled 17,000,000 performance rights held as at 30 June 2020. Additionally, on Mr Bruce McFadzean's appointment as a Director on 1 January 2021, 2,500,000 performance rights valued at 18.5 cents per performance right were granted to Mr McFadzean on the same terms as the existing 17,000,000 Director performance rights.

An additional 2,000,000 performance rights were issued to the Chairman, Mr Charles Lew, on 30 November 2020 on the same terms as the employee performance rights issued 23 October 2020 (refer ii below).

At the 2019 Annual General Meeting shareholders approved the granting of 17,000,000 performance rights to Directors. The performance rights were valued at \$0.06 per performance right based on the Black-Scholes Model with a nil exercise price. As at 30 June 2020, the Directors assessed the performance conditions for these performance rights as being unachievable within the performance period due to COVID-19 and therefore no expense has been recognised for the year ended 30 June 2020 in relation to these performance rights. These performance rights were subsequently cancelled and replaced at the 30 November 2020 Annual General Meeting.

An expense of \$1,096,249 was recognised for the year ended 30 June 2021 (2020: \$78,189) in relation to the Directors' performance rights.

i. Details of the employees' issued performance rights during the period are as follows:

Date granted	Value per share	Performance period ended
4 June 2019	17.0 cents	31 December 2020
4 June 2019	17.0 cents	31 December 2021
23 October 2020	14.0 cents	31 December 2020
23 October 2020	14.0 cents	31 December 2021
23 October 2020	14.0 cents	31 December 2022
19 January 2021	21.0 cents	31 December 2021
19 January 2021	21.0 cents	31 December 2022
22 January 2021	23.5 cents	31 December 2020
22 January 2021	23.5 cents	31 December 2021
22 January 2021	23.5 cents	31 December 2022
3 February 2021	22.0 cents	31 December 2021
3 February 2021	22.0 cents	31 December 2022
3 February 2021	22.0 cents	31 December 2023
12 March 2021	20.5 cents	31 December 2021
12 March 2021	20.5 cents	31 December 2022
14 April 2021	19.0 cents	31 December 2021
14 April 2021	19.0 cents	31 December 2022
29 April 2021	18.5 cents	31 December 2021
29 April 2021	18.5 cents	31 December 2022

The vesting of the employee performance rights is conditional on non-market based performance conditions. These performance conditions are key objectives specific to each employee.

The Directors assessed the performance conditions for the 3,250,000 employee performance rights existing as at 30 June 2020 as being unachievable within the performance period due to COVID-19 and were subsequently cancelled. New employee performance rights with revised performance conditions were issued as replacements.

An expense of \$994,785 (2020: \$292,143) was recognised during the year in relation to the employee performance rights.

NOTE 17: FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	2021 \$	2020 \$
Financial assets		
Cash and cash equivalents	28,067,095	9,453,516
Receivables	4,612,174	3,891,701
Other financial assets at amortised cost	82,000,000	
	114,679,269	13,345,217
Financial Liabilities		
Trade and other payables	2,692,483	3,407,171
Lease liability	112,189	315,214
Borrowings	-	9,078
	2,804,672	3,731,463

The carrying amount of the financial assets and liabilities approximates their fair values.

The following table details the expected maturity for the Group's non-derivative financial assets and liabilities. These have been drawn up based on undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group anticipates that the cash flow will occur in a different period.

	Weighted average effective interest rate	Less than 1 month	1 – 3 months	3 months – 1 year	1 – 5 years	5+ years
2021	%	\$	\$	\$	\$	\$
Assets						
Non-interest bearing	-	-	-	-	-	-
Variable interest rate instruments	-	22,067,095	-	-	-	-
Fixed interest rate instruments	0.3%	-	6,000,000	82,000,000	-	-
		22,067,095	6,000,000	82,000,000	-	-
Liabilities						
Lease liability	4.2%	20,704	41,669	49,816	-	-
Borrowings	-	-	-	-	-	-
		20,704	41,669	49,816	-	-

	Weighted average effective interest rate	Less than 1 month	1 – 3 months	3 months – 1 year	1 – 5 years	5+ years
2020	%	\$	\$	\$	\$	\$
Assets						
Non-interest bearing	-	-	-	-	-	-
Variable interest rate instruments	-	1,953,516	-	-	-	-
Fixed interest rate instruments	1.0%	1,500,000	6,000,000	-	-	-
		3,453,516	6,000,000	-	-	-
Liabilities						
Lease liability	4.1%	10,009	20,157	172,859	112,189	-
Borrowings	4.8%	9,078	-	-	-	-
		19,087	20,157	172,859	112,189	-

NOTE 18: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk
- Market risk

This note presents the information about the Group's exposure to each of

the above risks, their objectives, policies, and processes for measuring and managing risk, and the management of capital.

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing each of these risks as summarised below.

The Group's principal financial instruments comprise cash and term deposits. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the Group.

The Directors consider that the carrying value of the financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

(a) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group maintains a policy of dealing with creditworthy counterparties and mitigates the risk of financial loss from default by a counterparty by obtaining sufficient collateral where appropriate. The Group transacts with entities that are rated the equivalent

of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses publicly available financial information and its own trading record to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The Group deposits funds with financial institutions rate A- and above.

Term deposits with maturity terms of >3 months were held with the following financial institutions:

Name	Standard & Poor's Credit Rating	2021 \$	2020 \$
Westpac Banking Corporation	AA-	52,000,000	-
National Australia Bank	AA-	30,000,000	-
		82,000,000	

The carrying amount of financial assets recorded in the consolidated financial statements, net of any allowance for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

(b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board,

who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group did not have

any undrawn facilities at its disposal as at balance date.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Consolidated Group	Within 1 year		1 to 5 years		Over 5 years		Total	
	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$
Financial liabilities – due for payment:								
Trade and other payables	2,692,483	3,407,171	-	-	-	-	2,692,483	3,407,171
Lease liability	112,189	203,025	-	112,189	-	-	112,189	315,214
Borrowings	-	9,078	-	-	-	-	-	9,078
Total contractual outflows	2,804,672	3,619,274	-	112,189	-	-	2,804,672	3,731,463

Management and the Board monitor the Group's liquidity reserve based on expected cash flows. The information that is prepared by senior management and reviewed by the Board includes:

- Annual cash flow budgets; and
- Monthly rolling cash flow forecasts.

(c) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Group's income or value of the holdings of financial instruments. The Group is exposed to movements in market interest rates on term deposits. The policy is to monitor the interest rate yield curve to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The Group does not have short or long-term debt, and therefore this risk is minimal.

Interest rate risk management

The Group is exposed to interest rate risk as the Group deposits the bulk of the Group's cash reserves in term deposits with Westpac, National Australia Bank, and HSBC. The risk is managed by the Group by maintaining an appropriate mix of term deposits.

The following tables summarise the sensitivity of the Group's financial assets and liabilities to interest rate risk. Had the relevant variables, as illustrated in the tables, moved, with all other variables held constant, post tax profit and equity would have been affected as shown. The analysis has been performed on the same basis for 2021 and 2020.

Consolidated 30 June 2021		Carrying	Interest Rate Risk -1%		Interest Rate Risk +1%	
		Amount	Profit	Equity	Profit	Equity
		\$	\$	\$	\$	\$
Financial Assets	Footnote					
Cash and cash equivalents	1	28,067,095	(280,671)	(280,671)	280,671	280,671
Trade and other receivables		106,636	-	-	-	-

Consolidated 30 June 2020		Carrying	Interest Rate Risk -1%		Interest Rate Risk +1%	
		Amount	Profit	Equity	Profit	Equity
		\$	\$	\$	\$	\$
Financial Assets	Footnote					
Cash and cash equivalents	1	9,453,516	(94,535)	(94,535)	94,535	94,535
Trade and other receivables		106,636	-	-	-	-

¹ Cash and cash equivalents are denominated in AUD include deposits at call at floating and short-term fixed interest rates.

NOTE 19: COMMITMENTS

Remuneration Commitments

The Group has a contract with the Executive Chairman with annual remuneration of \$405,000 (excluding director's fees of \$120,000) which can be terminated by either party by giving 12 months' notice. The Group has entered into employment contracts with termination periods of between one and

three months. The Group also employs consultants who are contracted under standard consultancy rates. There were no other remuneration commitments made.

Guarantees

The Group has provided cash backed financial guarantees in respect of property leases amounting to

\$106,636 for the year ended 30 June 2021 (2020: \$104,948). No liability has been recognised in relation to these financial guarantees.

Western Australian Projects

The Group has minimum expenditure commitments on its beneficially owned Western Australian granted tenements.

The Group currently has commitments for expenditure as at balance date on its Australian exploration tenements as follows:

	2021 \$	2020 \$
Not later than 12 months	1,463,467	1,622,803
Between 12 months and 5 years	4,225,869	4,834,192
Greater than 5 years	6,952,592	12,024,631

As at 30 June 2021, outstanding commitments for construction contracts amounted to \$13,129,306 (2020: \$15,770,194), of which \$8,943,421 are cancellable at the Group's discretion. The outstanding commitments are all due within 12 months.

NOTE 20: SEGMENT REPORTING

IDENTIFICATION OF REPORTABLE SEGMENTS

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board in assessing performance and in determining the allocation of resources.

The operating segments are identified by the Board based on the nature of its interests and projects. Discrete financial information about each of these projects is reported to the executive management team on at least a monthly basis.

LOCATION OF INTERESTS AND NATURE OF PROJECTS

Yangibana Rare Earths Project

Hastings owns the Yangibana Rare Earths Project in the Gascoyne region of Western Australia through the 100% ownership of fifteen (15) tenements/exploration licences, one (1) prospecting license, and six (6) mining leases and through a 70% held joint venture comprising seven (7) granted exploration licences and three (3) mining lease, in all covering an area of approximately 590 square kilometres.

Brockman Rare Earths Project

Hastings is the owner of the Brockman Rare Earths Project, comprising of ten (10) wholly owned prospecting licenses, in the East Kimberley region of Western Australia. The project hosts significant JORC compliant resources of the rare metals zircon, niobium and tantalum, and the heavy rare earth yttrium.

Accounting policies and inter-segment transactions

The accounting policies used by the Group in reporting segments internally are the same as those contained in Note 1 to the accounts and in the prior period.

Project segments 30 June 2021	Brockman Rare Earths Project \$	Yangibana Rare Earths Project \$	Unallocated \$	Total \$
Other income				
Interest and other income	-	61,918	113,997	175,915
Total segment other income	-	61,918	113,997	175,915
Expenses				
Administration	-	(4,687,435)	(1,821,632)	(6,509,067)
Loss before income tax expense	-	(4,625,517)	(1,707,635)	(6,333,152)
Income tax benefit	-	-	-	-
Other comprehensive income	-	-	(1,271)	(1,271)
Segment result	-	(4,625,517)	(1,708,906)	(6,334,423)
Cash flows from operating activities	-	(2,993,185)	(1,708,906)	(4,702,091)
Cash flows from investing activities	(19,830)	(10,224,600)	(82,000,000)	(92,244,430)
Cash flows from financing activities	19,830	-	115,544,717	115,564,547

Project segments 30 June 2021	Brockman Rare Earths Project \$	Yangibana Rare Earths Project \$	Unallocated \$	Total \$
Segment assets	15,252,240	115,841,786	94,814,855	225,908,881
Segment liabilities	-	3,977,452	-	3,977,452
Acquisition of exploration assets	19,830	7,580,647	-	7,600,477
Acquisition of property, plant and equipment	-	3,525,799	3,469	3,529,268

Interest income of \$113,997 was solely derived within Australia. \$1,784 in non-current assets are located overseas.

Project segments 30 June 2020	Brockman Rare Earths Project \$	Yangibana Rare Earths Project \$	Unallocated \$	Total \$
Other income				
Interest and other income	-	50,000	176,707	226,707
Total segment other income	-	50,000	176,707	226,707
Expenses				
Administration	(680)	-	(4,449,818)	(4,450,498)
Total segment expenses	(680)	-	(4,449,818)	(4,450,498)
Income tax benefit	-	-	-	-
Other comprehensive income	-	-	(6,547)	(6,547)
Segment result	(680)	50,000	(4,279,658)	(4,230,338)
Cash flows from operating activities	(680)	-	(6,529,530)	(6,530,210)
Cash flows from investing activities	(36,384)	(17,039,518)	(14,753)	(17,090,655)
Cash flows from financing activities	37,064	-	14,647,467	14,684,531

Project segments 30 June 2020	Brockman Rare Earths Project \$	Yangibana Rare Earths Project \$	Unallocated \$	Total \$
Segment assets	15,232,410	84,896,988	13,744,516	113,873,914
Segment liabilities	-	3,407,171	523,743	3,930,914
Acquisition of exploration assets	36,384	3,885,884	-	3,922,268
Acquisition of property, plant and equipment	-	11,753,653	39,964	11,793,617

Interest income of \$176,707 was solely derived within Australia. \$5,019 in non-current assets are located overseas.

NOTE 21: DIVIDENDS

The directors of the Group have not declared any dividend for the year ended 30 June 2021 (2020: \$Nil).

NOTE 22: CONTINGENT LIABILITIES

There are no contingent liabilities at year end.

NOTE 23: EVENTS SUBSEQUENT TO REPORTING DATE

Since 30 June 2021 the Group has announced:

- The Project's total Ore Reserve increased 37% to 16.7Mt at 0.95% TREO, extending the mine's life to at least 15 years. TREO tonnes rose 15% to 158,400t, with NdPr increasing 18% to 58,300t;
- Onslow selected as the site for the Project's hydrometallurgical plan;
- Ore sorter testwork resulting in a 26% uplift in mine head grade;
- Site works commencement at the Project; and
- Western Australian State Government's commendation for Yangibana Rare Earths Project and approval for Onslow hydrometallurgical plant site.

Other than as outlined above, there were no matters or circumstances that have arisen since the end of the financial period that have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or state-of-affairs of the consolidated entity in future financial years.

NOTE 24: AUDITOR'S REMUNERATION

During the year the following fees were paid or payable for services provided by PricewaterhouseCoopers Australia (PwC) as the auditor of the parent entity, Hastings Technology Metals Limited, by PwC's related network firms and by non-related audit firms:

PricewaterhouseCoopers Australia

	2021 \$	2020 \$
Audit or review of the financial reports of the Group	75,000	61,840
Other services	17,000	-
	92,000	61,840

Network firms of PricewaterhouseCoopers Australia

	2021 \$	2020 \$
Other services		
Consulting on debt funding	-	289,334
	-	289,334

NOTE 25: DIRECTORS AND EXECUTIVES DISCLOSURES

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report.

	2021 \$	2020 \$
Short term benefits	1,337,495	1,149,215
Post-employment benefits	38,281	29,945
Performance rights	1,279,739	142,275
	2,655,515	1,321,435

NOTE 26: RELATED PARTY DISCLOSURES

The consolidated financial statements include the financial statements of Hastings Technology Metals Ltd and the subsidiaries listed in the following table.

Name	Country of Incorporation	Functional Currency	% Equity Interest		Investment (\$)	
			2021	2020	2021	2020
Ark Gold Pty Ltd	Australia	A\$	100%	-	1	-
Brockman Project Holdings Pty Ltd	Australia	A\$	100%	100%	4,000,000	4,000,000
Gascoyne Metals Pty Ltd	Australia	A\$	100%	100%	2,050,000	2,050,000
Yangibana Pty Ltd	Australia	A\$	100%	100%	85,000	85,000
Hastings Technology Metals (Asia) Limited	Hong Kong	HK\$	100%	100%	100	100
Hastings Technology Metals Pte Ltd	Singapore	S\$	100%	100%	99,602	99,602

Hastings Technology Metals Ltd is the ultimate Australian parent entity and ultimate parent of the Group.

Related party transactions with key management personnel

	2021 \$	2020 \$
Office rental and administration expenses ¹	87,478	91,702
Advance paid for purchase of shares ²	-	455,169

¹ Office rental and administration expenses were paid to Equator Capital Pte Ltd, a company associated with the Executive Chairman, Mr Charles Lew. These fees are commensurate with those charged on an arm's length basis.

² In December 2019 Mr Lew subscribed for shares in a share placement. The issue of the shares was subject to shareholder approval which was approved at the 2020 Annual General Meeting. The funds received from Mr Lew were treated as other payables prior to shareholder approval.

Shares and options acquired via placements and rights issues with key management personnel

30 June 2021	Ordinary Shares Purchased	Options Purchased ¹	\$
Mr Charles Lew	9,814,579	1,951,500	1,910,338
Mr Guy Robertson	120,000	-	15,000
Mr Malcolm Randall	60,000	-	7,500
Mr Bruce McFadzean	263,157	-	50,000
Total	10,257,736	1,951,500	1,982,838

¹ Options exercisable at 25 cents per share expiring on 12 April 2022.

30 June 2020	Ordinary Shares Purchased	Options Purchased ¹	\$
Mr Jean Claude Steinmetz	500,000	-	35,000
Total	500,000	-	35,000

NOTE 27: PARENT ENTITY DISCLOSURES

	Company	
	2021 \$	2020 \$
Assets		
Current assets	114,470,221	13,194,975
Non-current assets	109,775,666	100,440,382
Total assets	224,245,887	113,635,357
Liabilities		
Current liabilities	2,228,064	3,619,551
Non-current liabilities	86,394	168,532
Total liabilities	2,314,458	3,788,083
Net Assets	221,931,429	109,847,274
Equity		
Issued capital	242,275,502	125,691,027
Reserves	8,285,175	6,546,798
Accumulated Losses	(28,629,248)	(22,390,551)
Total Equity	221,931,429	109,847,274
Financial performance		
Loss for the year	(6,238,697)	(4,239,072)
Other comprehensive income	-	-
Total comprehensive loss	(6,238,697)	(4,239,072)

Contingent liabilities of the parent entity

For details on contingent liabilities, refer to Note 22.

Commitments of the parent entity

The parent entity has nil (2020: nil) tenement commitment obligations as at 30 June 2021.

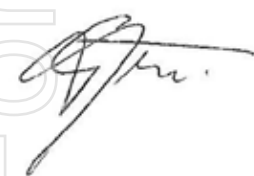
NOTE 28: INTEREST IN JOINT OPERATION

The Group has a 70% joint venture interest (2020: 70%) in certain tenements (refer to page 31) that comprise part of the Yangibana Project. The Group is the manager of, and is sole funding, the joint venture tenements up until a decision to commission a Bankable Feasibility Study. Refer to Note 19 for details on capital commitments and guarantees. There were no impairment triggers identified in the jointly controlled operation.

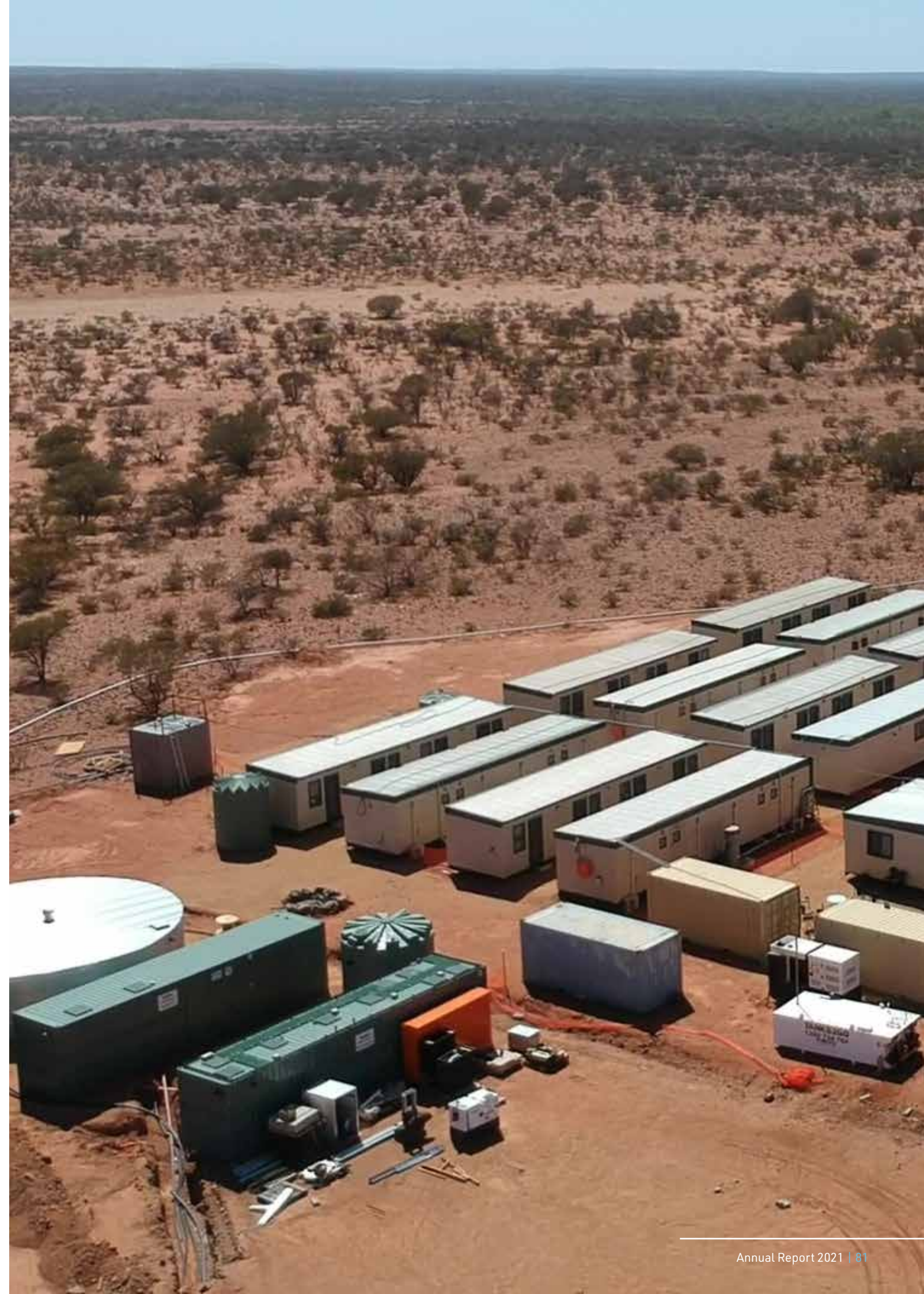
Directors' Declaration

1. In the opinion of the directors of Hastings Technology Metals Ltd (“the Company” or “the Group”):
 - a. The consolidated financial statements and notes thereto, as set out on pages 50 to 79, are in accordance with the Corporations Act 2001 including:
 - i. giving a true and fair view of the Group’s financial position as at 30 June 2021 and of the performance of the Group for the year then ended; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.
 2. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
 3. The consolidated financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
 4. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2021.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.



Guy Robertson
Executive Director
30 September 2021



Independent auditor's report

To the members of Hastings Technology Metals Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Hastings Technology Metals Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended, and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 30 June 2021
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information, and
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.



Materiality	Audit scope
<ul style="list-style-type: none"> For the purpose of our audit we used overall Group materiality of \$2,259,000, which represents approximately 1% of the Group's total assets. We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole. We chose the Group's total assets because, in our view, it is the benchmark against which the performance of the Group is most commonly measured whilst in the exploration and development phase. We utilised a 1% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds. 	<ul style="list-style-type: none"> Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. The Group's operational and financial processes are managed by a corporate function in Perth, where substantially all of our audit procedures were performed.



Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit Committee.

Key audit matter	How our audit addressed the key audit matter
<p>Carrying amount of deferred exploration expenditure (Refer to note 12)</p> <p>As at 30 June 2021 the Group recognised deferred exploration expenditure totalling \$64,704,236 in the statement of financial position relating to the Brockman and Yangibana projects.</p> <p>Judgement was required by the Group to assess whether there were indicators of impairment of the deferred exploration expenditure due to the need to make estimates about future events and circumstances, such as whether the mineral resources may be economically viable to mine in the future.</p> <p>This was a key audit matter because of the size of the balance and judgement in considering the risk of impairment of the assets, should results of exploration activities indicate these costs will not be recoverable.</p>	<p>We performed the following procedures, amongst others:</p> <ul style="list-style-type: none">• Evaluated the Group's assessment that there had been no indicators of impairment for its deferred exploration expenditure assets, including performing inquiries with management and directors to develop an understanding of the current status and future intentions for the Group's exploration projects.• Assessed whether the Group retained right of tenure for all of its exploration licence areas by obtaining licence status records from relevant government databases.• For a sample of additions to exploration and evaluation assets during the year inspected relevant supporting documentation, such as invoices, and compared the amounts to accounting records.• Obtained the Group's approved exploration expenditure forecasts supporting its assessment.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 40 to 47 of the directors' report for the year ended 30 June 2021.

In our opinion, the remuneration report of Hastings Technology Metals Limited for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Price Waterhouse Coopers

PricewaterhouseCoopers

Helen Bathurst

Helen Bathurst
Partner

Perth
30 September 2021

Additional Shareholder Information

A. Corporate Governance

A statement disclosing the extent to which the Group has followed the best practice recommendations set by the ASX Corporate Governance Council during the period is contained within the Director's Report.

B. Shareholding

1. Substantial Shareholders

The following substantial holders are listed on the Company's register as at 20 August 2021:

1	L1 Capital Pty Ltd	131,578,948	7.57%
2	Charles Lew	123,603,734	7.11%

Fully Paid Ordinary Shares

Spread of holdings	Holders	Units	% of issued capital
1-1,000	134	13,098	0.00%
1,001-5,000	975	3,579,500	0.21%
5,001-10,000	914	7,492,675	0.43%
10,001-100,000	2,611	108,107,739	6.22%
Over 100,000	885	1,619,262,254	93.14%
	5,519	1,738,455,266	100.00%

There are 257 shareholders with less than a marketable parcel.

4. Twenty largest holders of each class of quoted equity security

The names of the twenty largest holders of each class of quoted security, the number of equity security each holds and the percentage of capital each holds (as at 20 August 2021) is as follows:

1. Number of holders in each class of equity securities and the voting rights attached (as at 20 August 2021)

Fully Paid Ordinary Shares

There are 5,519 holders of ordinary shares. Each shareholder is entitled to one vote per share held.

In accordance with the Company's Constitution, on a show of hands every number present in person or by proxy or attorney or duly authorized representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorized representative has one vote for every fully paid ordinary share held.

2. Distribution schedule of the number of holders in each class of equity security as at 20 August 2021.

Ordinary Shares Top 20 holders and percentage held

Position	Holder Name	Holding	% IC
1	CITICORP NOMINEES PTY LIMITED	306,118,360	17.61%
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	217,715,791	12.52%
3	CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	133,616,713	7.69%
4	BNP PARIBAS NOMS PTY LTD <DRP>	53,699,883	3.09%
5	BNP PARIBAS NOMINEES PTY LTD <LGT BANK AG DRP>	51,870,706	2.98%
6	MR FOON KEONG LEW	51,720,332	2.98%
7	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	43,810,939	2.52%
8	MR MUN KEE CHANG	41,687,284	2.40%
9	BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	40,241,281	2.31%
10	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	39,966,652	2.30%
11	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	32,413,835	1.86%
12	MR WING SOON YIM	32,076,470	1.85%
13	FF OKRAM PTY LTD <FF OKRAM A/C>	29,403,575	1.69%
14	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	19,561,309	1.13%
15	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	15,836,141	0.91%
16	MS SOCK-LAN ELEANOR LIM <AUS SECURITIES A/C>	14,520,000	0.84%
17	NATIONAL NOMINEES LIMITED	13,201,272	0.76%
18	UBS NOMINEES PTY LTD	12,596,731	0.72%
19	BNP PARIBAS NOMS PTY LTD <UOB KAY HIAN PRIV LTD DRP>	12,580,536	0.72%
20	MR HOE CHUAN SOON	12,554,341	0.72%
Total		1,175,192,151	67.60%
Total issued capital - selected security class(es)		1,738,455,266	100.00%

1. Company Secretary

The joint company secretaries are Mr Guy Robertson and Mr Neil Hackett.

2. Address and contact details of the Company's registered office and principle place of business:

Level 8, Westralia Plaza 167 St Georges Terrace
Perth WA 6000 Australia
Telephone: +61 (8) 6117 6118

3. Address and telephone details of the office at which a registry of securities is kept:

Automic Group
Lvl 2/267 St Georges Terrace
Perth WA 6000

4. Stock exchange on which the Company's securities are quoted:

The Company's listed equity securities are quoted on the Australian Securities Exchange (ASX: HAS).

5. Restricted Securities

The Company does not have any restricted securities on issue.

6. Review of Operations

A review of operations is contained in the Directors' Report.

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HASTINGS TECHNOLOGY METALS LIMITED

Tel: +61 2 9078 7674

Email: info@hastingstechmetals.com

Web: hastingstechmetals.com