

22 November 2023

YANGIBANA PROJECT FUNDING UPDATE

HIGHLIGHTS

- At-the-Market equity financing facility for up to \$50 million established with Alpha Investment Partners (“AIP”) to provide working capital funding flexibility as project financing process is advanced
- Project financing process for Yangibana Rare Earths Project (“Yangibana Project”) advancing through first stage financiers’ investment and credit committee approvals
- Multiple non-binding financing proposals received from global mining funds and debt capital market investors to fund the Yangibana Project debt size in the order of the target gearing ratio of 60%¹
- Discussions ongoing with Federal Government, following recent announcement of \$2 billion expansion in critical minerals financing
- Strategic partner and joint venture indicative proposals received from global mining funds
- Certification of Green Financing Framework to enable issue of green finance instruments, accredited by Second Party Opinion (“SPO”) provider, Det Norske Veritas (“DNV”) Business Assurance Australia
- Next steps include shortlisting preferred financier(s)/syndicated lender group to conduct final due diligence, long form term sheet, intercreditor terms (if required) and site visits.

Australia’s next rare earths producer, Hastings Technology Metals Ltd (ASX: HAS) (“Hastings” or “the Company”) is pleased to provide an update on the project financing process for the Yangibana Project. During the September quarter, Hastings completed early infrastructure works at the Yangibana Project, including the Kurrbili Accommodation Village, Yangibana Airstrip, access roads, production borefields, water pipelines and clearing and grubbing of the entire plant site.

HASTING ESTABLISHES AT-THE-MARKET EQUITY FACILITY

The At-the-Market facility with AIP represents a strategic equity financing option for up to A\$50 million, offering the Company the flexibility to raise capital incrementally over a four-year period at an issue price referable to prevailing market prices, subject to a floor price that is set by Hastings.

Hastings retains full control over all major aspects of the placement process, having sole discretion as to whether to use the facility, the number of shares to be issued, and the minimum issue price of any issued shares. The final issue price will be calculated as the greater of a floor price set by Hastings in the drawdown notice and a volume weighted average price over a period of Hastings’ choosing (at the sole discretion of Hastings) less a discount of five per cent. The facility establishment fee is A\$25,000.

Furthermore, the At-the-Market facility will not impose restrictive conditions, preserving the Company’s operational and capital raising freedom. This makes At-the-Market facilities a compelling option for Hastings, aligning with the Company’s long-term growth strategy and commitment to maximising shareholder value.

As collateral for the At-the-Market facility, Hastings will issue 6.5 million shares to AIP from its LR 7.1 capacity, leaving a balance of 12.9 million capacity under LR 7.1. Any placements under the facility in excess of Hastings' LR 7.1 capacity will require shareholder approval.

This standby equity capital facility aligns with Hastings' commitment to prudent financial management, facilitating a controlled approach to capital raising, and minimising shareholder dilution. The facility can be terminated by Hastings at any time without penalty to the Company.

PROJECT FINANCING

Hastings has completed the first stage of the project financing process following the release of its staged development feasibility study, including first stage financiers' investment and credit committee approvals. This has culminated in the Company receiving non-binding indicative financing proposals¹ from multiple parties, including from global mining funds, senior debt and fixed income investors (debt capital markets), to fund the Yangibana Project in the order of the target gearing ratio of 60% of the total funding package².

This is in addition to the previously announced financing support from commercial banks and government agencies³.

The receipt of the financing proposals follows completion of lenders due diligence reports, including an independent technical expert report from Behre Dolbear Australia ("BDA"), which confirmed that the Yangibana Project's revised capital and operating cost estimates and project delivery structure and schedule are reasonable and appropriate for a project of this nature.

Additionally, Hastings has received various strategic partner and joint venture proposals from global mining funds which would reduce funding requirements, as well as enable the Company to leverage synergies, share risks, and access additional resources and expertise of a partner.

With the receipt of multiple financing proposals including loans, bonds, and joint venture proposals, Hastings is now in the process of negotiations to secure the most optimal financing package and syndicate that enhances long term value creation for shareholders. Hastings is working with its financial advisors and consultants, to shortlist preferred financiers/syndicated lender group to conduct final due diligence and site visits, with final submissions due shortly thereafter.

Commenting on the funding progress, Executive Chairman, Mr Charles Lew, said:

"Securing multiple indicative funding proposals is a significant milestone. We are pleased by the strong response we have received from various potential financiers validating the economic and technical viability of the Yangibana Project."

"As we evaluate each option, we are focused on choosing the path that best aligns with our strategic objectives and drives the best economics for the business. As we work towards finalising the funding stack, we will continue to look at opportunities to optimise our working capital and operating efficiencies to deliver value for our shareholders."

¹Disclaimer: There are no guarantees that the indicative proposals will result in approved project funding

²Refer to ASX Release 'Quarterly Activities Report (for the period ended 30 September 2023)'

³See ASX Release 'Quarterly Activities Report (for the period ended 30 June 2023)', dated 17 July 2023, 'NAIF increases financial support for Yangibana Rare Earths Project to A\$220 million', dated 17 January 2023, 'Letter of Support secured from Export Finance Australia for \$100m loan', dated 21 March 2023

GREEN FINANCE FRAMEWORK

In recognition of the strong ESG credentials of the Yangibana Project, Hastings has established a Green Financing Framework under which the Company may issue Green Loans or Green Bonds (hereafter referred to as "Sustainable Finance"). DNV has issued a SPO confirming the Framework's alignment with the International Capital Market Association's Green Bond Principles ("GPBs") and the Loan Market Association's Green Loan Principles.

The rare earth concentrate produced from the Yangibana Project will realise significant environmental benefits as critical inputs for electrification and renewable energy technologies, aligning with the GBP categories of clean transportation, renewable energy and energy efficiency. The Yangibana Project's operations will also meet other categories including sustainable water and wastewater management.

The Company's ESG credentials are aligned with the United Nations Sustainability Development Goals ("UNSDGs") as a signatory of the UN Global Company, and advances four UNSDGs relevant to the GBPs, including SDG 6 (Clean Water and Sanitation), SDG 7 (Affordable and Clean Energy), SDG 8 (Decent Work and Economic Growth) and SDG 9 (Industry, Innovation and Infrastructure).



Authorised by the Board for release to the ASX.

FOR FURTHER INFORMATION CONTACT:

Charles Lew
Executive Chairman
+65 62209220

Paul Brown
Chief Executive Officer
+61 8 6117 8605

Teck Lim
Chief Financial Officer
+61 8 6117 6118

MEDIA ENQUIRIES:

Stephanie Vanicek
Communications Manager
+61 405 183 237

ABOUT HASTINGS TECHNOLOGY METALS LIMITED

Hastings Technology Metals Limited is a Perth-based rare earths company primed to become the world's next producer of neodymium and praseodymium concentrate ("NdPr"). NdPr are vital components in the manufacture of permanent magnets used every day in advanced technology products ranging from electric vehicles to wind turbines, robotics, medical applications, and digital devices.

Hastings' flagship Yangibana Rare Earths Project located in the Gascoyne and Pilbara regions of Western Australia, contains one of the most highly valued NdPr deposits in the world with NdPr to Total Rare Earth Oxide ratio of up to 52% in some areas of the orebody.

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

Hastings holds a strategic 20.4% shareholding in TSX-listed Neo Performance Materials, a leading global rare earth processing and advanced permanent magnets producer, providing the Company with the opportunity to explore opportunities to create a mine-to-magnet supply chain.

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

For more information, please visit www.hastingstechmetals.com

*See ASX announcement 6 February 2023. The Company is not aware of any new information or data that materially affects the information included in the 6 February 2023 announcement and all material assumptions and technical parameters underpinning the production target in the relevant market announcement continues to apply and has not materially changed.