

13 June 2024

YANGIBANA RARE EARTHS PROJECT COST REDUCTION

HIGHLIGHTS

All figures referenced are in Australian dollars unless otherwise specified

- Following an in-depth cost review, the remaining capital cost for the Yangibana Rare Earths Project has been reduced to \$321 million (inclusive of \$27 million contingency). The decrease is comprised of \$153 million incurred cost and \$30 million reduction in capital costs.
 - Total capital cost \$474 million
 - Spent capital expenditure \$153 million (as at 31 May 2024)
 - **Remaining capital cost \$321 million (including contingency of \$27 million)**
- An independent lenders' **due diligence review completed by Behre Dolbear Australia** confirms the revised capital cost estimate is in line with industry standards for a project definitive estimate
- The **incurred capital expenditure of \$153 million or 32% of total capital cost** (at end of May 2024) includes \$135 million (88%) relating to completion of early works, purchasing long lead equipment and associated engineering
- Completion of early infrastructure works, including construction of the airstrip and accommodation village, and detailed engineering at 75% complete significantly **de-risks project execution workstreams**
- The key drivers of capital expenditure reduction include further scope clarity around unawarded work including re-estimation of earthworks following additional detailed design, the Engineering, Procurement and Construction contract, and reduction of non-essential activities
- An additional \$26 million in savings identified across operating costs during ramp-up and commissioning, has resulted in **total savings of \$56 million**.

Hastings Technology Metals Ltd (ASX:HAS) ("Hastings" or "the Company") is pleased to provide an update on the estimates of the Yangibana Rare Earths Project ("Yangibana Project" or "the Project") project costs following an in-depth review of the cost estimates undertaken internally and independently reviewed by Behre Dolbear Australia ("BDA").

The Company now estimates that the capital expenditure ("CapEx") for the Yangibana Project will be \$474 million (including contingency), representing a material reduction from the previously announced estimate of \$503 million in February 2024¹.

The capital cost estimates rely on the assumptions adopted in the Staged Development Study², which incorporated a 40% increase in capital costs reflecting industry cost inflation and project scope refinement at the time.

¹Refer ASX presentation 'Yangibana Project Economics Update – Integrated Tolling and Offtake Agreement' dated 16 February 2024. The project economics referred to in the aforementioned announcement has not been updated. BDA has only reviewed the capital cost estimates and investors should not make investment decisions based solely on this update. Revised project economics will be released at the Final Investment Decision stage or by the end of 2024, if there are any material revisions.

²Refer ASX Announcement 'Corporate Presentation – Staged Development Strategy', dated 31 May 2023.

Independent third party technical due diligence was conducted by BDA who have confirmed the updated \$474 million estimate is in line with industry standards for a project definitive estimate.

As of 31 May 2024, \$153 million in incurred CapEx on early works, purchasing long-lead equipment and associated engineering reduces the remaining CapEx to completion to \$321 million (including contingency) with a significant portion related to the fixed lump sum Engineering, Procurement and Construction ("EPC") contract with GR Engineering Services ("GRES"). This is supported by well-advanced detailed engineering and design on the beneficiation plant – currently at 75% complete – and further clarity of scope.

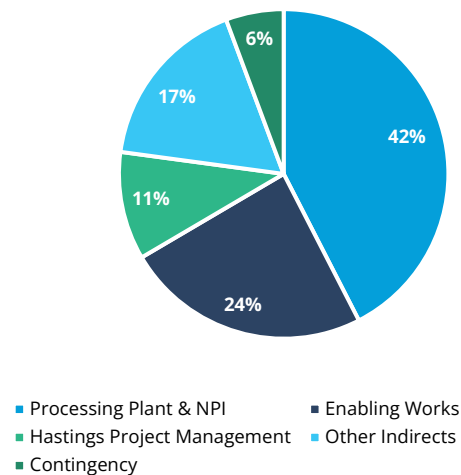
The key drivers of the revised CapEx estimates resulted from a review of the construction costs identifying approximately \$30 million in savings which reflects the increased maturity of designs, further scope clarity around unawarded work and the reduction of non-essential activities, including:

- A scope reduction in the EPC contract including the amendment and optimisation of the crusher facility;
- Reduction in management reserve due to the optimisation and clarification of earthworks for the processing plant;
- Removal of the Stage 2 hydrometallurgical plant tailings storage facility; and
- A review of site operating costs and a reforecast of site services, owner's costs, storage and preservation have been updated to reflect latest timeline and estimates.

Additionally, a further \$26 million in savings were identified across operating costs from a thorough review of the processing plant commissioning and operating labour, together with savings in the mining package through optimised scheduling, and reduction in the scope of works for Stage 2 (hydrometallurgical plant) of the Yangibana Project, resulting in a total savings of \$56 million.

Yangibana - Updated Capital Cost Estimate

Capital cost	A\$m	%
Processing Plant & NPI	201.0	42%
Enabling Works ³	114.1	24%
Subtotal - Direct Capital Cost	315.1	67%
Hastings Project Management	50.2	11%
Other Indirects ⁴	81.3	17%
Subtotal - Indirect Capital Cost	131.5	28%
Contingency/Reserve	26.9	6%
Total Capital Cost	473.5	100%
Incurred to 31-May-24	152.6	32%
Remaining (incl. contingency)	320.9	68%

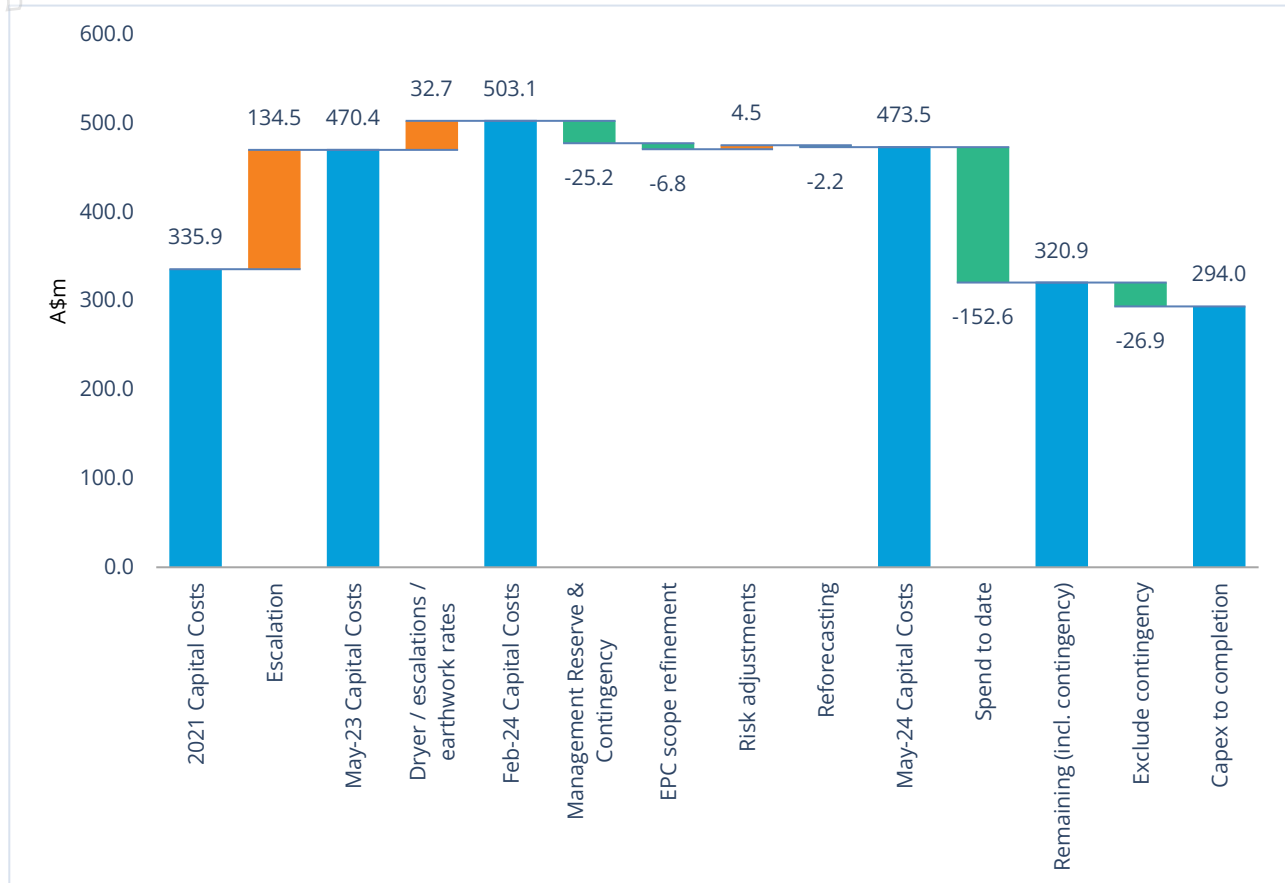


³ Enabling works - represents: equipment, roads, aerodrome, village, borefields construction

⁴ Other indirects - represents: fuel, accommodation, IT & comms, health & safety, consultants, insurances and other

Key drivers for the current capital cost estimates are set out in the figure below. The waterfall chart shows the progression of the Project through completion of enabling infrastructure, de-risking activities and increased confidence in the capital cost estimates through detailed design and engineering.

Yangibana Capital Cost Key Drivers



The reduced capital cost and identified savings will form part of the revised and reduced project funding envelope. The \$321 million (inclusive of contingency) remaining capital cost estimate is exclusive of working capital, interest during construction and ramp-up operating costs, which will be included in the final project funding envelope prior to Final Investment Decision.

Completion of early infrastructure reduces construction execution risk and reduces the remaining funding required.

Hastings continues to work closely with global investment banks to structure and arrange the debt funding package.

Basis of Estimates

The updated CapEx estimate is supported by tender pricing received from reputable Tier 1 suppliers and contractors based on well-defined scopes of work and contract requirements. Key tender pricing, which was not available previously, and has now been incorporated into the updated capital cost estimate includes charter flights and village catering and maintenance.

Early Infrastructure Complete

The completion of early infrastructure works including construction of an airstrip, accommodation village, site access roads and water infrastructure has significantly de-risked the project execution workstreams.

Kurrbili Village



294 rooms fully commissioned with medical centre, sports court, shop, dry and wet mess.

Yangibana Airstrip



2km in length, suitable for planes up to 70 seat capacity. The airport buildings are in place ensuring fast changeovers for employees.

Long Lead Equipment



SAG mill shell, landed in Australia and ready for transport to Yangibana.

Process Plant Equipment



Equipment onshore in Perth ready for installation.

Site Access Roads



20km site access road to connect the Yangibana Project's mine site with the shire road network to the beneficiation plant, village, mine and construction work.

SipHon Borefield



Fully permitted consisting of 6 bores, fully equipped with holding tanks and high flow pumps and pipeline to the process plant.

Commenting on the updated estimate, Hastings Executive Chairman, Mr Charles Lew, said:

"In line with Hastings' disciplined approach to cost management, our comprehensive cost and optimisation review will deliver material savings across the construction and operating costs for the Yangibana Project. It is critical that the team continues to identify cost saving opportunities without sacrificing on project delivery, while maintaining our focus on the successful delivery of the Project."

"The Yangibana Project is shovel ready with early infrastructure siteworks completed, all State and Commonwealth approvals in place to commence construction and leading Australian process engineering and construction company GR Engineering Services engaged. We are ready to mobilise to site immediately upon securing the optimal financing for the project."

"The Hastings team is fully committed to bringing the Yangibana Project into development to ensure we realise the value of this world-class orebody, delivering the minerals vital to the global energy transition and creating long-term value for all our stakeholders."

Authorised by the Board for release to the ASX.

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ABOUT HASTINGS TECHNOLOGY METALS LIMITED

Hastings Technology Metals Limited is a Perth-based rare earths company focused on the development of its 100% owned Yangibana Rare Earths Project. Located in the Gascoyne region of Western Australia, the Yangibana Project contains one of the most highly valued deposits of NdPr in the world with an NdPr to Total Rare Earth Oxide ratio of up to 52% in some areas of the orebody.

With an initial mine life of 17 years, the Yangibana Project will become a globally significant source of NdPr, a critical component in the manufacture of permanent magnets used in advanced technology products including electric vehicles, renewable energy, humanoid robotics, and digital devices.

The Yangibana Project is fully permitted for immediate development and is well-timed to meet the forecast supply gap for rare earth elements accelerated by the growth in electric vehicles and wind turbines, both vital for the global energy transition. It will be developed in two stages with an initial focus on the construction of the mine and beneficiation plant to produce 37,000 tonnes per annum of mixed rare earth concentrate.

Hastings continues to assess downstream processing opportunities including the development of a hydrometallurgical plant to capture more of the rare earth value chain. The Company holds a strategic 21.50% shareholding in TSX-listed Neo Performance Materials, a leading global rare earth processing and advanced permanent magnets producer, providing future optionality to explore the creation of a mine to magnet supply chain.

For more information, please visit www.hastingstechmetals.com

FORWARD LOOKING STATEMENT

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

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

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