

30 January 2018

ASX ANNOUNCEMENT

FULLY UNDERWRITTEN SHARE PURCHASE PLAN TO FUND INFRASTRUCTURE WORKS AT YANGIBANA RARE EARTHS PROJECT

Hastings Technology Metals Ltd (ASX: HAS) ("Hastings" or the "Company") is pleased to offer eligible shareholders the opportunity to participate in the Hastings 2018 Share Purchase Plan (the "Plan" or "SPP") to raise \$12 million.

Eligible shareholders are those who are registered holders of ordinary shares in the Company as at 7.00pm AEST on 29 January 2018 (Record Date) resident in Australia or New Zealand.

After an exceptional year in 2017 our Executive Chairman, Charles Lew commented *"In 2017, Hastings achieved many milestones on the road to establishing a world-class rare earth production plant, culminating in the publication of the Definitive Feasibility Study in November 2017 that confirmed attractive economics for the Yangibana project. We anticipate that 2018 will be a pivotal year for the Company as we work towards raising the necessary funding to build the processing plant, commencing with early works to prepare the Yangibana site, and continue negotiations with customers for additional off-take agreements."*

Numerous market trends continue to provide confirmation of a significant shift in the way we travel, generate energy, monitor and control our environment. The focus to reduce fossil-fuel usage is now well established. Many targets have been set globally to electrify transportation and advance renewable energy technology and new materials will be required to meet them. The Nd-Pr mined and processed from Yangibana will provide critical components to these electric vehicle and clean energy aspirations.

Through this SPP, our shareholders will have the opportunity to add to their investment in Hastings as we journey together to build a world class Nd-Pr mine in Australia to produce the critical minerals for an exciting future focussed on clean renewable energy and e-mobility. This SPP is underwritten by a few major shareholders including myself."

Milestones highlights in the Definitive Feasibility Study (DFS) are:

- ✓ Initial operating life of 8 years provides NPV of \$466m, IRR of 78% and a payback period of 2.3 years
- ✓ First Probable Reserves estimated at 5.16mt at 1.12% TREO including 0.45% Nd₂O₃+Pr₆O₁₁
- ✓ Latest JORC Resources total 21.00mt at 1.17% TREO including 0.41% Nd₂O₃+Pr₆O₁₁
- ✓ Plan to produce up to 15,000 tons per annum of Mixed Rare Earths Carbonate on site at Yangibana
- ✓ Pre-production capital expenditure of A\$335 million and operating costs of A\$17.06/kg TREO (US\$12.8/kg)
- ✓ Native Title Agreement signed for the entire tenement area of 650sqkm covering all rare earths minerals mined and sold

The strengthening in Neodymium (Nd) and Praseodymium (Pr) prices (+42% and +39% respectively year-on-year) and the signing of three offtake Memorandum of Understanding (MOU) agreements with Baotou Sky Rock Rare Earth Material Co Ltd (2,500 tonnes p.a), China Rare Earth Holdings Ltd (2,000 tonnes p.a) and Qiandong Rare Earth Group (1,500 tonnes p.a) provide further confidence in the successful development of the Yangibana Rare Earths Project.

China further continued to fuel excitement around the announcement of electric vehicle targets. Chinese authorities hinted of policy changes in early September 2017, with the intention of banning fossil-fuel vehicles. This follows on the heels of similar policy announcements made by India, Norway, France and the United Kingdom.

Vehicle manufacturers also made encouraging announcements regarding electric vehicles targets. Volkswagen will spend EUR 20 billion in R & D to develop electric vehicles. VW aims to roll out 80 EVs models across all its brands by 2025.

Given both policy and manufacturer announcements, the International Energy Agency predicts that by 2030 the stock of electric vehicles on the road globally will total between 160 to 200 million, an almost 100 times increase of the EV stock today. These developments will drive the robust support in demand for Nd and Pr well beyond 2030.

The SPP will enable shareholders to participate by acquiring additional shares without incurring transaction costs. The SPP is fully underwritten and the Directors and senior management have confirmed their participation in the SPP.

Under the Plan, eligible shareholders may subscribe for up to \$15,000 worth of ordinary shares in the Company (New Shares), in multiples of \$2,500, subject to a discretionary scale back in the event that shareholder demand exceeds the Offer Amount, at a price of 31 cents per share (Issue Price)

The issue price is at 8.3% discount to the 30 days volume weighted average price of ordinary shares traded on the ASX prior to the announcement of the SPP offer.

The Company is offering up to 38,709,677 New Shares under the Plan to raise \$12 million (Offer Amount), before costs. The Company reserves the right to scale back a shareholder's subscription (in its absolute discretion) in the event total shareholder demand exceeds the Offer Amount. The Company also reserves the right to accept oversubscriptions, subject to compliance with all laws, regulations, ASIC class orders, requirements or policies or any ASX Listing Rule.

An offer booklet will be mailed to eligible shareholders on Monday, 5 February 2018 and the Offer will close on Monday, 26 February 2018. The Offer is fully underwritten for \$12 million by Equator Capital Management Limited (a company in which Charles Lew, Executive Chairman is a director and shareholder), Fong Kah Kuen, Astaman Aziz and Simon Yim shareholders of the Company.

The funds raised from the SPP will be used to fund the following ongoing work:

- Capital costs associated with the development of an access road and the procurement of an accommodation village; and
- Engineering design and specification work with respect to the mine infrastructure and construction of the processing plant

TIMETABLE

Event	Date
Record Date	29 January 2018
Announcement Date	30 January 2018
Dispatch of Offer and Application Forms to Eligible Shareholders	5 February 2018
Opening date for acceptances	5 February 2018
Closing date for acceptances	5.00pm AEST on 26 February 2018
Allotment Date	27 February 2018
Dispatch of holding statements	28 February 2018

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