Hastings Technology Metals Ltd

ABN 43 122 911 399

Interim Financial Report

December 2020

Contents | Page

DIRECTORS' REPORT

Your directors submit the interim 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 half year ended 31 December 2020. Pursuant to the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of directors who held office during or since the end of the interim period 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 Neil Hackett	Non-executive Director
Mr Bruce McFadzean	Non-executive Director (appointed 1 January 2021)
Mr Malcolm Randall	Non-executive Director
Mr Jean Claude Steinmetz	Non-executive Director

Joint Company Secretaries

Mr Neil Hackett
Mr Guy Robertson

Review of Operations

Yangibana Project

Mineral Resources, Ore Reserves, Mining, Metallurgy and Development

At the end of the period under review, Hastings reported an increase in the indicated portion and a decrease in the inferred portion of Mineral Resources. Combined Measured and Indicated Resources increased by 2% or 0.33Mt to 15.40Mt. There were no material changes to the grade distribution in any Mineral Resource category.

The Mineral Resources are reported according to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC Code') 2012 edition. The Mineral Resources are reported inclusive of Ore Reserves.

Table 1: Total JORC (2012) Mineral Resources 2020

Category	M Tonnes	%TREO	%Nd_2O_3+Pr_6O_{11}
Measured	4.15	1.15	0.43
Indicated	11.25	1.11	0.38
Sub-total	**15.40**	**1.12**	**0.39**
Inferred	5.46	1.14	0.35
TOTAL	**20.86**	**1.12**	**0.38**

Numbers in tables may not add due to rounding. Tables include 100% of all JV tenements unless indicated otherwise.

DIRECTORS' REPORT (continued)

The increase in the Indicated and decrease in the Inferred Mineral Resources (Table 2.) was generated through the re-interpretation and re-estimation process of the Simon's Find Mineral Resources. This process changed the compositions of the different categories of mineralisation as announced in ASX Release "HAS_73_Increase_in_Simons_Find_Indicated_Resources_Yangibana dated 25 February 2020.

Table 2: Total JORC (2012) Mineral Resources for the Simon's Find deposit

Category	*Tonnes (t)	%TREO	%Nd2O3+Pr6O11
Indicated	784,000	0.57	0.30
Sub-total	**784,000**	**0.57**	**0.30**
Inferred	141,000	0.53	0.25
TOTAL	**925,000**	**0.56**	**0.29**

There was no change reported for the Probable Ore Reserves at the Yangibana Project. The previously announced total Probable Ore Reserves of 12.20 million tonnes at 1.13%TREO including 0.40%Nd_2O_3+Pr_6O_{11} (Table 3.) remain as per the ASX announcement release entitled "13% Increase in Measured and Indicated Mineral Resource Tonnes FINAL" dated 31 October 2019.

Table 3: Total JORC (2012) Ore Reserves November 2019

Deposit	M Tonnes	%TREO	%Nd_2O_3+Pr_6O_{11}	Nd_2O_3+Pr_6O_{11} as % of TREO
Bald Hill	4.97	1.03	0.41	40
Fraser's	0.90	1.51	0.64	42
Auer	1.50	0.95	0.33	35
Yangibana	1.36	0.91	0.44	48
Yangibana North	3.46	1.39	0.37	26
TOTAL	**12.20**	**1.13**	**0.40**	**37**

Ore reserves include those within tenements held 100% by Hastings (Table 3) and those held in joint venture with Hastings holding 70% interest.

Probable Ore Reserves within tenements held 100% by Hastings are shown in Table 4 with those within tenements in which Hastings holds a 70% interest being shown in Table 5.

Table 4 - Yangibana Project - Probable Ore Reserves Within Tenements Held 100% by Hastings, December 2019

Deposit	M Tonnes	%TREO	%Nd_2O_3+Pr_6O_{11}	Nd_2O_3+Pr_6O_{11} as % of TREO
Bald Hill	4.97	1.03	0.41	40
Fraser's	0.90	1.51	0.64	42
Auer	1.50	0.95	0.41	35
Yangibana	1.29	0.91	0.44	48
Yangibana North	2.24	1.32	0.34	26
TOTAL	**10.91**	**1.10**	**0.41**	**38**

DIRECTORS' REPORT (continued)

Table 3 represents the Eastern Belt Ore Reserves tonnages held 100% by Hastings and the grades of Nd_2O_3+Pr_6O_{11} and TREO. The portion of Nd_2O_3+Pr_6O_{11} calculated as a percentage of TREO is also tabled. Table 4 represents the Western Belt Ore Reserves which represents only the 70% of the mining reserves allocated to Hastings as part of the Joint Venture in the respective tenements M 09/160 and M 09/159.

Table 1: Probable Ore Reserves Within JV Tenements (only 70% of reserves tabled)

Deposit	M Tonnes	%TREO	%Nd_2O_3+Pr_6O_{11}	Nd_2O_3+Pr_6O_{11} as % of TREO
Yangibana	0.07	0.78	0.39	50
Yangibana North	1.23	1.39	0.37	26
TOTAL	**1.30**	**1.36**	**0.37**	**28**

2020 EXPLORATION PROGRAM

During 2020 Hastings Technology Metals embarked on a major exploration drilling program at Yangibana. The priority focus of the program was to test a series of highly prospective extensional targets within the Yangibana project, with the intention of increasing the existing 20.86Mt JORC Resource and extending planned mine life.

The primary target of the program is the Bald Hill - Simons Find - Frasers and Auer trend which are the closest deposits to the processing plant. (Figure 1.)

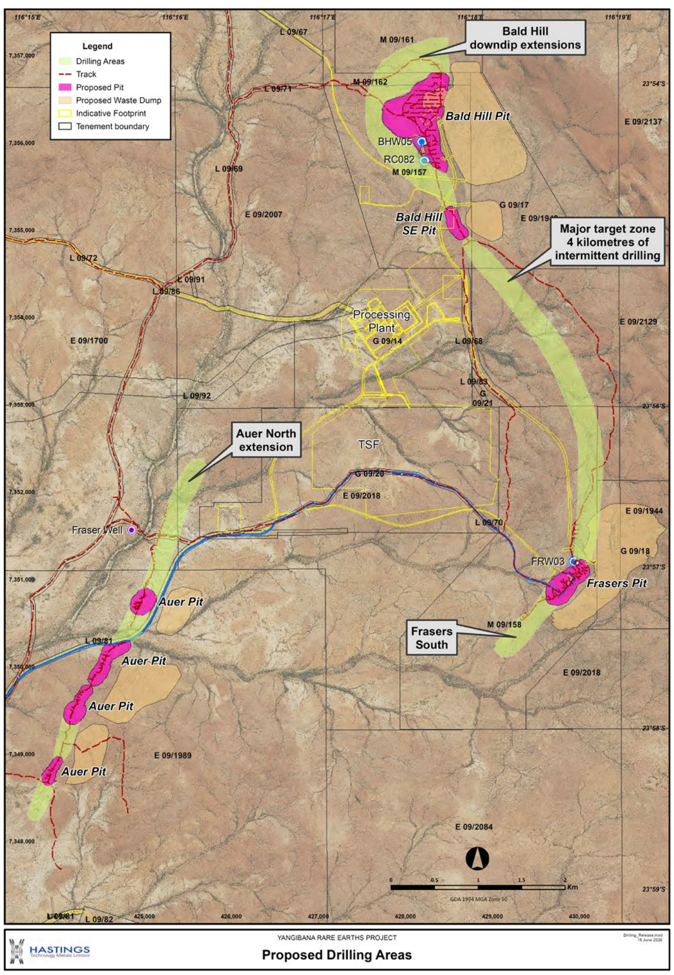

Figure 1. Primary targets for 2020 Drill Program.

Drilling commenced in June and was completed in December 2020.

DIRECTORS' REPORT (continued)

Simon's Find – major mineralised trend defined

The Company has reported that it has successfully delineated, as a minimum, approximately 2km of economic mineralisation (Figure 1), forming the Simon's Find resource area through the completion of close-spaced reverse circulation (RC) drilling.

Recent drilling to target ironstone rocks hosting rare earths has returned consistent grades and widths of mineralisation over a 2km-long zone, which remains open along strike and down dip. Results have also confirmed that Simon's Find includes exceptionally high quantities of neodymium and praseodymium, widely recognised as the two most important rare earth elements required over the next decades to satisfy global demand for electric vehicles, renewable energy projects and industrial automation.

From the results underlying this announcement for Simon's Find, neodymium and praseodymium (together, "NdPr") represent approximately 52% of the total rare earths content. This is at least 25% higher than existing results from the nearby Bald Hill and Frasers deposits, which have a NdPr:TREO ratio of approximately 40-41% of total rare earths.

A 40-41% ratio is widely acknowledged as world leading when compared to other known rare earths deposits, which typically report ratios in the 15-25% range. The 52% recorded at Simon's Find confirms the special and unique geological properties of Yangibana, which further solidifies Yangibana becoming the next rare earth project to come into production.

These new results are expected to substantially add to the 20.86Mt mineral resource base already existing at Yangibana, with a new mineral resource and mining reserve estimate expected to be completed over the coming months.

Simon's Find is located in close proximity to Yangibana's proposed processing plant. The nature of Simon's Find's softer geological host rocks means this deposit is expected to play an important role during the start-up phase of Yangibana.

Frasers - Simon's Find Trend

Drill results released during this interim period have confirmed that Simon's Find forms the northern portion of a defined and continuous 4km-long zone of economic mineralisation (Figure 1) when including the recently released Fraser's South and Fraser's North drilling results.

Frasers - Simon's Find - Bald Hill Trend

Hastings has now defined a single, largely coherent zone of mineralisation commencing at Fraser's South and finishing at Bald Hill (the largest of Yangibana's rare earths deposits) that is approximately 8km in length (Figure 1).

Substantial potential exists for continued exploration throughout this zone, which has demonstrated significant capacity to host rare earths, while opening up enormous opportunities for mineral resource expansion and extensions to Yangibana's mine life within close proximity of the proposed processing plant location.

This zone has been lightly drilled and has on average only been drilled between 40-70m below the surface. Additional opportunities to the north and south of this trend have been identified by geophysics and ground mapping. Down-dip extensions remain open along the entire 8km of defined mineralisation.

Exploring and delineating the mineralisation in this zone was a key objective of the 2020 exploration drilling program.

The 2020 exploration drilling program has been so successful that the vast majority of holes, reported to date, have delivered intercepts of TREO considered by economic by the Company. Mineral Resources have not been updated to reflect the 2020 drilling results.

DIRECTORS’ REPORT (continued)

CAPITAL EXPENDITURE

Hastings announced that it has updated its Capital expenditure requirements previously estimated at approximately $517M (ASX Investor Presentation 2 December 2019), which included a 114km gas pipeline and 14Mw gas fired powerstation.

Capital estimates have been revised based on the announced (ASX Hastings to relocate Hydrometallurgical Plant 29 July 2020) decoupling and relocation of the Hydrometallurgical plant to the Pilbara Region.

The revised capital estimate is now approximately $449M (exclusive of contingencies), being $68M or 13% lower than that previously announced.

The overall project capital cost estimate was developed by DRA Global and Hastings technical personnel based on an Engineering, Procurement, Construction and Management (EPCM) approach for the process plant and infrastructure. The estimate includes all the necessary costs associated with engineering, drafting, procurement, construction, construction management, commissioning of the processing facility and associated infrastructure, mining infrastructure, first fills of plant reagents, consumables and spare parts.

ESTIMATE STRUCTURE

The estimate is based upon preliminary engineering, material take-offs and budget price quotations for major equipment and bulk commodities. Unit rates for installation were based on market enquiries specific to the material requirements planning (MRP).

The estimate pricing was obtained predominantly during quarter one 2019 (1Q19) and is in Australian dollars ($), with new and updated pricing being included from quarter one 2020 (1Q20) and quarter two 2020 (2Q20) for those items which have been altered due to the Hydrometallurgical plant re-location. The overall capital estimate has an estimated accuracy of ±15 to 20%. This will be refined over the next few months prior to a final cost estimate will be presented in 2Q2021.

The capital estimate was prepared using a project Work Breakdown Structure (WBS) which delineates the various areas of the project. Individual estimates were prepared for each area covering all engineering disciplines. The capital estimate has been structured into the following major categories:

- Direct costs;
- Indirect costs;
- Growth allowance; and
- Owner’s costs.

DIRECTORS' REPORT (continued)

PREVIOUS CAPITAL COMPARISON

A comparison of the change in the capital cost estimate announced for the Hydrometallurgical plant relocation at $449M is presented in Table 5 and Figure 2.

Table 5: Showing CAPEX changes by cost centre

	Capex Budget 2019 ($M)	Capex Revised 2020 ($M)	Variance ($M)
Mining	14	10	-3
Process Plant	167	181	14
Tailings Facility	19	18	-1
Infrastructure	77	69	-8
Services	130	50	-79
Other Items	9	9	0
Indirects	104	112	8
Totals	***517**	***449**	**-68**

*** Numbers may be subject to rounding errors. All numbers presented are without contingency.**

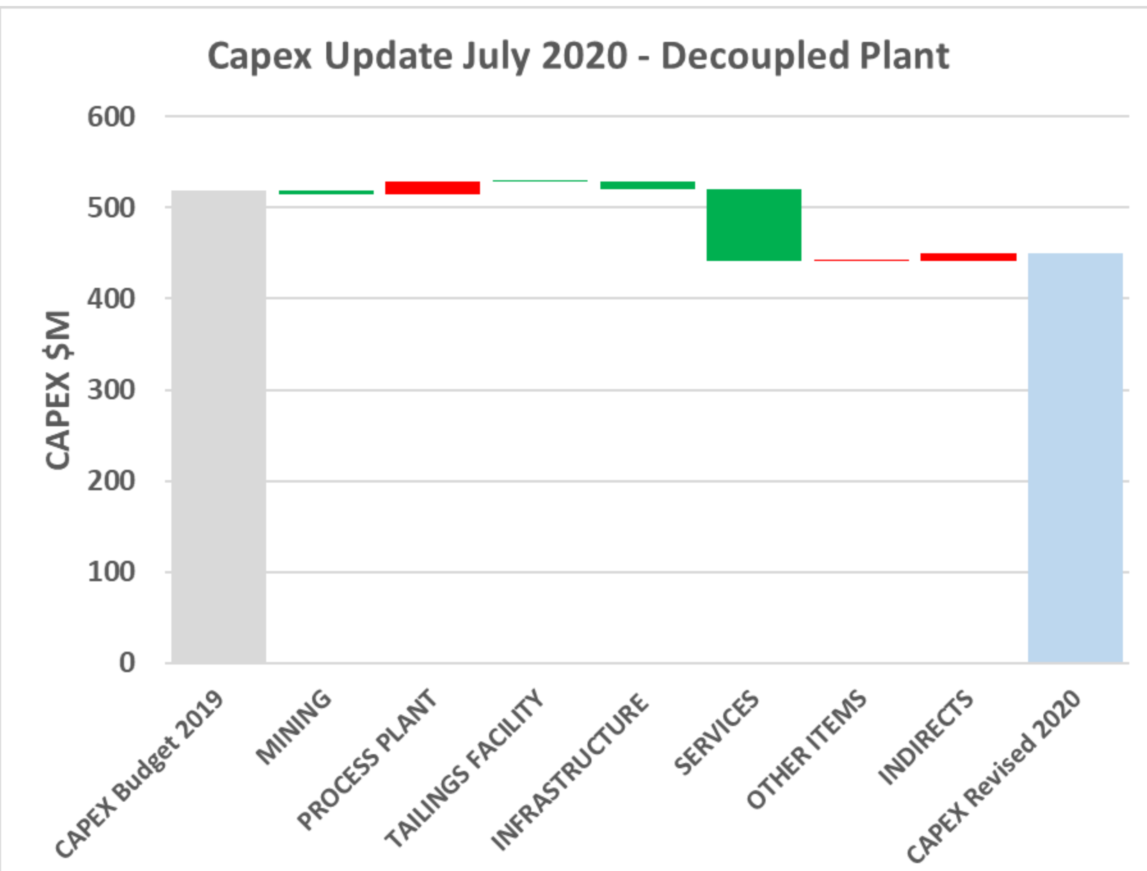

Figure 2 Waterfall chart showing CAPEX changes by cost centre

DIRECTORS' REPORT (continued)

The capital cost has reduced significantly from the cost estimate announced in December 2019, with the following cost centres being responsible for the overall 13% reduction:

- The cost of pre-strip mining has been decreased by $3.4M, due to volume reductions associated with optimisation of the mining schedule;
- The cost of the process plant has increased by $14M due to some duplication required in services dealing with storage, and loading and unloading of concentrate and tailings material, reagent storage and distribution services, the addition of an ore sorter, and mandated regulatory changes to the acid baked kiln and gas scrubber;
- Site Infrastructure changes show a net reduction of $8M, with significant savings realised in reduced site access and internal road construction costs of $12M.
- The cost of Non-Process related infrastructure has risen by $2M through necessary duplication at two sites
- An increase of $1M for the relocation of the accommodation village. New location is only 3kms from processing plant, compared to 12kms previously.
- The cost of the 14Mw power plant and the gas pipeline eliminates $67M
- Site infrastructure costs due to the reduction in water requirements removes $2.3M.
- Onsite power will now be delivered via a build/own/operate model through a 3rd party provider, whilst power for the Hydrometallurgical Plant will be connected to main power.
- The cost of indirects has increase by $8M. Additional costs of around $7M are anticipated with EPCM labour (accommodating a second workforce at the Hydromet location during the construction phase) and the required duplication of site services to support the construction phase.

Terminology used in this report

Total Rare Earths Oxides (**TREO)**, is the sum of the oxides of the light rare earth elements lanthanum (La), cerium (Ce), praseodymium (Pr), neodymium (Nd), and samarium (Sm) and 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).

Competent Persons' Statement

The information in this report that relates to Mineral Resources is based on information compiled by David Princep. Mr Princep is an independent consultant to the Company and is a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Princep has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this report 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 Princep consents to including statements in this report.

The information in this report that relates to the Ore Reserves at Bald Hill, Fraser's, Auer, Auer North, Yangibana, Yangibana West and Yangibana North is based on information reviewed or work undertaken by Mr. Stephen O'Grady, member of the Australasian Institute of Mining and Metallurgy, and an Director of Intermine Engineering Consultants. Mr O'Grady consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

This report contains reference to certain intentions, expectations, future plans, strategy and prospects of the Company. Those intentions, expectations, future plans, strategy 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, advisors 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, strategy and prospects. The Company does not warrant or represent that the actual results, performance or achievements will be as expected, planned or intended.

DIRECTORS' REPORT (continued)

Dividends

No dividends have been paid or declared since the start of the interim period and the directors do not recommend the payment of a dividend in respect of the interim period.

Operating results for the half year and financial review

The comprehensive loss of the consolidated entity for the interim period, after providing for income tax amounted to $2,599,289 (2019: $2,571,915).

The Group's operating income increased to $100,062 (2019: $96,576), $58,188 (2019: Nil) received for COVID-19 government grants and $41,874 (2019: $96,576) in interest income. Interest income decreased given the lower average interest rates in 2020.

Expenses decreased to $2,690,424 (2019: $2,669,256) primarily because of a reduction in director fees, employee costs, and rent abatement as a result of cost saving measures introduced during COVID-19, offset by an increase in share based payments to $732,642 (2019: $358,866).

Capitalised exploration increased to $62,333,375 (30 June 2020: $57,224,056) reflecting exploration drilling completed to expand reported resource reserves and the costs of approvals sought to progress the Yangibana Project.

Plant and equipment increased to $43,902,105 (30 June 2020: $43,038,256) reflecting preliminary construction works on the Yangibana Project site.

Net assets increased to $128,404,763 (30 June 2020: $109,943,000) reflecting capital raisings during the interim period of $21.4 million (before costs) offset by the results for the interim period.

Review of financial conditions

As at 31 December 2020 the consolidated entity had approximately $20.0 million in cash assets.

Going concern

On 22 February 2021 the Company received commitments to raised approximately $100.7 million through a two tranche share placement of approximately 530 million shares at $0.19 per share. In light of the raising, and the Group's forecasted cash flows forecast 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 is continuing 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, Northern Australian Infrastructure Facility, and a number of commercial banks. The project debt funding is expected to be finalised during 2021 and first drawdown is not currently planned until 2022. 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.

DIRECTORS' REPORT (continued)

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 interim period:

- A $68 million reduction in estimated capital expenditure for the Yangibana Project based on the relocation of the Hydrometallurgical Plant;
- Raising $20.7 million in share placements, including $3.1 million via a conditional placement and $3.0 million via share purchase plan; and
- Announcement of high-grade extensions to the Frasers' and Simon's Find deposits, confirming the Yangibana Project mineralisation extension now up to 8 kilometres long.

Significant events after balance sheet date

On 22 February 2021 the Company raised approximately $100.7 million through a share placement of approximately 530 million shares at $0.19 per share. Of this amount $57.2 million was fully underwritten by Canaccord Genuity and the Company has received formal commitments for the balance of $43.5 million, subject to receiving shareholders' approval at an Extraordinary General Meeting to be held at the end of March 2021.

The following additional events were significant milestones subsequent to the reporting date:

- Yangibana infill drilling at Bald Hill confirming the extension of the orebody;
- The appointment of Mr Bruce McFadzean as a non-executive director; and
- The appointment of Mr Matthew Allen as chief financial officer.

Other than as outlined above, there are 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 periods.

Auditor's Independence and Non-Audit Services

Section 307C of the Corporations Act 2001 requires our auditors, PricewaterhouseCoopers, to provide the directors of the Company with an Independence Declaration. This Independence Declaration is set out on page 11 and forms part of this Directors' report for the interim period ended 31 December 2020.

Signed in accordance with a resolution of the directors.

Charles Lew
Executive Chairman
12 March 2021

Auditor's Independence Declaration

As lead auditor for the review of Hastings Technology Metals Ltd for the half-year ended 31 December 2020, 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 review, and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

Helen Bathurst

Helen Bathurst
Partner
PricewaterhouseCoopers

Perth
12 March 2021

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2020

		Consolidated	
	Notes	2020 $	2019 $
Continuing operations			
Other income	2	100,062	96,576
Administration expenses		(291,463)	(275,398)
Depreciation		(65,295)	(62,000)
Depreciation – right-of-use assets		(79,010)	(69,390)
Directors fees		(371,025)	(405,567)
Occupancy expenses		(50,318)	(85,334)
Employee benefits expense		(746,127)	(1,025,558)
Legal fees		(191,670)	(144,841)
Consulting and professional fees		(140,821)	(128,549)
Travel expenses		(14,587)	(98,545)
Share based payments		(732,642)	(358,866)
Finance costs		(7,466)	(15,208)
Loss before income tax expense		(2,590,362)	(2,572,680)
Income tax benefit		-	-
Net loss for the period		(2,590,362)	(2,572,680)
Other comprehensive income		(8,927)	765
Total comprehensive loss for the period		**(2,599,289)**	**(2,571,915)**
Basic and diluted loss per share (cents per share)		(0.24)	(0.28)

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Notes	Consolidated 31 DECEMBER 2020 $	30 JUNE 2020 $
Assets			
Current assets			
Cash and cash equivalents		19,980,268	9,453,516
Trade and other receivables		4,436,256	3,891,701
Total current assets		24,416,524	13,345,217
Non-current assets			
Plant and equipment		43,902,105	43,038,256
Right-of-use assets		187,375	266,385
Deferred exploration and evaluation expenditure	4	62,333,375	57,224,056
Total non-current assets		106,422,855	100,528,697
Total assets		130,839,379	113,873,914
Liabilities			
Current liabilities			
Trade and other payables		1,978,357	3,407,171
Lease liabilities		234,754	203,025
Borrowings		-	9,078
Employee benefit obligations		147,468	143,108
Total current liabilities		2,360,579	3,762,382
Non-current liabilities			
Employee benefit obligations		74,037	56,343
Lease liabilities		-	112,189
Total non-current liabilities		74,037	168,532
Total Liabilities		2,434,616	3,930,914
Net Assets		**128,404,763**	**109,943,000**
Equity			
Issued capital	5	145,776,128	125,691,027
Reserves	5	7,522,749	6,546,798
Accumulated losses		(24,894,114)	(22,294,825)
Total Equity		**128,404,763**	**109,943,000**

The accompanying notes form part of these financial statements.

HASTINGS
Technology Metals Limited

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2020

Consolidated	Notes	Issued Capital $	Accumulated Losses $	Option Reserve $	Share Based Payment Reserve $	Total $
Balance at 30 June 2020		**125,691,027**	**(22,294,825)**	**6,546,798**	**-**	**109,943,000**
Loss for the period		-	(2,590,362)	-	-	(2,590,362)
Other comprehensive income		-	(8,927)	-	-	(8,927)
Total comprehensive loss for the period		**-**	**(2,599,289)**	**-**	**-**	**(2,599,289)**
Shares/options issued during the period	5	21,201,860	-	243,309	-	21,445,169
Transaction costs on share issue	5	(1,116,759)	-	-	-	(1,116,759)
Share based payments	5	-	-	-	732,642	732,642
Balance at 31 December 2020		**145,776,128**	**(24,894,114)**	**6,790,107**	**732,642**	**128,404,763**
Balance at 30 June 2019		**112,858,264**	**(18,055,028)**	**4,299,329**	**342,710**	**99,445,275**
Change in accounting policy		-	(9,078)	-	-	(9,078)
Restated total equity at 1 July 2019		**112,858,264**	**(18,064,106)**	**4,299,329**	**342,710**	**99,436,197**
Loss for the period		-	(2,572,680)	-	-	(2,572,680)
Other comprehensive income		-	765	-	-	765
Total comprehensive loss for the period		**-**	**(2,571,915)**	**-**	**-**	**(2,571,915)**
Shares/options issued during the period		12,816,363	-	2,247,468	-	15,063,831
Transaction costs on share issue		(682,354)	-	-	-	(682,354)
Share based payments		-	-	-	358,866	358,866
Transfer from share based payments		199,125	-	-	(199,125)	-
Balance at 31 December 2019		**125,191,398**	**(20,636,021)**	**6,546,797**	**502,451**	**111,604,625**

The accompanying notes form part of these financial statements

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER

	Note	Consolidated 2020 $	Consolidated 2019 $
Cash flows from operating activities			
Payments to suppliers and employees		(2,357,698)	(3,924,974)
Interest and finance costs paid		(10,701)	(15,208)
Government grants received		58,188	-
Interest received		44,559	120,260
Net cash used in operating activities		(2,265,652)	(3,819,922)
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		(4,305,253)	(1,389,521)
Payments for plant and equipment		(2,680,973)	(11,077,547)
Research and development tax offset in relation to exploration assets		-	1,060,988
Net cash used in investing activities		(6,986,226)	(11,406,080)
Cash flows from financing activities			
Proceeds from issue of shares and options		20,810,000	15,063,831
Payments for share issue costs		(936,758)	(682,354)
Repayment of borrowings		(9,078)	(27,423)
Advance from Director	9	-	455,169
Principal elements of lease payments		(80,460)	(62,453)
Net cash provided by financing activities		19,783,704	14,746,770
Net increase/(decrease) in cash held		10,531,826	(479,232)
Foreign exchange loss		(5,074)	-
Cash and cash equivalents at the beginning of the period		9,453,516	18,495,405
Cash and cash equivalents at the end of the period		19,980,268	18,016,173

The accompanying notes form part of these financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

These interim condensed consolidated financial statements for the half year ended 31 December 2020 have been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 30 June 2020 and any public announcements made by the Group during the interim reporting period in accordance with the conditions disclosure requirements of the *Corporation Act 2001*.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2020, with the exception of the adoption of new and amended standards as set out in Note 1(d).

(b) 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 condensed consolidated financial statements, the Group incurred losses of $2,599,289, had net cash outflows from operating activities of $2,265,652, net cash outflows from investing activities of $6,986,226, and net cash inflows from financing activities of $19,783,704 for the half year ended 31 December 2020. As at 31 December 2020 the Group had outstanding commitments for project construction contracts of $15,641,358, of which $12,774,562 are cancellable at the Group's discretion. The outstanding commitments are all due within 12 months.

On 22 February 2021 the Company received commitments to raised approximately $100.7 million through a two tranche share placement of approximately 530 million shares at $0.19 per share. In light of the raising, and the Group's forecasted cash flows forecast 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.

Based on the above mentioned $100.7 million raising commitments, and factors outlined below, the Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report:

- The Group has signed an exclusive mandate with German KfW IPEX-bank to provide project finance loan advisory services in relation to securing approval from Euler Hermes Aktiengesellschaft ("Euler Hermes") as mandated by the German Federal Government as administrators of the Untied Loan Guarantee scheme (UFK). Euler Hermes has confirmed in principle eligibility for the German government UFK scheme for up to USD140 million;
- The Northern Australia Infrastructure Facility (NAIF), an Australian Government implemented initiative, is currently undertaking a review of the Group for potential infrastructure debt financing;

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(b) Going Concern (continued)

- The Group received confirmation of in-principle eligibility from Finnvera Plc for project financing of up to $93.8 million;
- To assist the Group raise project 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 equity like capital; and
- The Directors are of the view that the Group will be able to raise further equity capital.

As a result of the above, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

(c) Statement of Compliance

The interim condensed consolidated financial report was authorised for issue by the Board on 12 March 2021. The Board has the power to amend the financial statements after their issue.

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

(d) Adoption of new and revised standards

In the half year ended 31 December 2020, the Directors have reviewed all new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for reporting periods beginning on or after 1 July 2020.

There was no new significant accounting standard adopted by the Company for the period commencing 1 July 2020.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 2: OTHER INCOME

	Consolidated Half Year 2020 $	Consolidated Half Year 2019 $
Other income		
Interest income[1]	41,874	96,576
Government grants[2]	58,188	-
	100,062	96,576

[1]Interest income is solely derived within Australia.

[2]Government grants consist of COVID-19 incentives received from both the Australia ($50,000) and Singapore Governments ($8,188).

NOTE 3: 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 Project

Hastings owns the Yangibana rare earths project in the Gascoyne region of Western Australia through the 100% ownership of thirteen (13) tenements/exploration licenses and six (6) mining leases and through a 70% held joint venture comprising seven (7) granted exploration licenses and three (3) mining lease, in all covering an area of approximately 650 square kilometers.

Brockman Project

Hastings is the owner of the Brockman heavy rare earths project, comprising of ten (10) 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 3: SEGMENT REPORTING (continued)

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	Brockman Project $	Yangibana Project $	Unallocated $	Total $
31 December 2020				
Revenue				
Interest and other income	-	-	100,062	100,062
Total segment revenue	-	-	100,062	100,062
Expenses				
Administration	-	-	(2,690,424)	(2,690,424)
Total segment expenses	-	-	(2,690,424)	(2,690,424)
Income tax benefit	-	-	-	-
Other comprehensive expense	-	-	(8,927)	(8,927)
Segment result	-	-	(2,599,289)	(2,599,289)

Project segments	Brockman Project $	Yangibana Project $	Unallocated $	Total $
31 December 2020				
Cash flows used in operating activities	-	-	(2,265,652)	(2,265,652)
Cash flows used in investing activities	3,558	(6,988,464)	(1,320)	(6,986,226)
Cash flows from financing activities	(3,558)	-	19,787,262	19,783,704
Segment assets	15,235,968	92,627,273	22,976,138	130,839,379
Segment liabilities	-	1,978,357	456,259	2,434,616
Acquisition of exploration assets	3,558	5,105,761	-	5,109,319
Acquisition of property, plant and equipment	-	929,382	-	929,382

HASTINGS
Technology Metals Limited

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 3: SEGMENT REPORTING (continued)

Project segments

	Brockman Project $	Yangibana Project $	Unallocated $	Total $
31 December 2019				
Revenue				
Interest and other income	-	-	96,576	96,576
Total segment revenue	-	-	96,576	96,576
Expenses				
Administration	-	-	(2,669,256)	(2,669,256)
Total segment expenses	-	-	(2,669,256)	(2,669,256)
Income tax benefit	-	-	-	-
Other comprehensive income	-	-	765	765
Segment result	-	-	(2,571,915)	(2,571,915)

Project segments

	Brockman Project $	Yangibana Project $	Unallocated $	Total $
31 December 2019				
Cash flows used in operating activities	-	-	(3,819,922)	(3,819,922)
Cash flows used in investing activities	-	(11,384,711)	(21,369)	(11,406,080)
Cash flows from financing activities	-	-	14,746,770	14,746,770
Segment assets	15,196,026	70,315,319	30,305,206	115,816,551
Segment liabilities	-	3,399,642	812,284	4,211,926
Acquisition of exploration assets	-	2,431,743	-	2,431,743
Acquisition of property, plant and equipment	-	6,701,061	14,145	6,715,205

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 4: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Half Year Ended 31 December 2020 $	Year Ended 30 June 2020 $
Costs carried forward in respect of areas of interest in the following phases:		
Exploration and evaluation phase – at cost		
Balance at beginning of period	57,224,056	55,087,366
Exploration expenditure	5,109,319	3,922,268
Less research and development tax offset	-	(1,785,578)
Total deferred exploration and evaluation expenditure	**62,333,375**	**57,224,056**

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

NOTE 5: ISSUED CAPITAL

	Half Year Ended 31 December 2020 $	Year Ended 30 June 2020 $
Ordinary shares		
Balance at beginning of period	125,691,027	112,858,264
Shares issued – placement	18,201,860	9,939,063
Shares issued – rights issue	3,000,000	2,877,300
Shares issued on vesting of performance rights	-	713,042
Less share issue costs	(1,116,759)	(696,642)
At end of period	**145,776,128**	**125,691,027**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 5: ISSUED CAPITAL (continued)

Movements in ordinary shares on issue	Half Year Ended 31 December 2020 No.	Year Ended 30 June 2020 No.
At beginning of period	1,034,649,093	917,161,676
Shares issued – placement	145,663,000	80,733,084
Shares issued – rights issue	24,000,000	20,700,000
Shares issued on vesting of performance rights	-	16,054,333
Balance at end of period	**1,204,312,093**	**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.

The Chairman, Charles Lew subscribed for shares in the December 2019 share placement. The shares and options were issued on terms consistent with other shares and options issued for the same placement upon shareholder approval at the 2020 Annual General Meeting. The advance payment received from the Chairman had been treaded as other payables (refer Note 9).

For issue of shares post 31 December 2020 refer to Note 8.

Listed Options

Options reserve

Movements in the options reserve were as follows:	Half Year Ended 31 December 2020 $	Year Ended 30 June 2020 $
Balance at beginning of period	6,546,798	4,299,329
Options issued – placement	63,309[2]	1,605,769[1]
Options issued – rights issue	-	641,700[3]
Options issued – supplier payment	180,000	-
Balance at end of period	6,790,107	6,546,798

[1]Call options issued via placements for the year ended 30 June 2020 have been valued using the Black Scholes Option Pricing Model at $0.040 per option assuming a 82% volatility (based on the last 12 months of trading prior to being issued) and a Reserve Bank of Australia cash rate of 0.8%.

[2] The Chairman, Charles Lew subscribed for shares in the December 2019 share placement. The shares and options were issued on terms consistent with other shares and options issued for the same placement upon shareholder approval at the 2020 Annual General Meeting. The advance payment received from the Chairman had been treaded as other payables (refer Note 9).

[3]Call options issued via rights issues for the year ended 30 June 2020 have been valued using the Black Scholes Option Pricing Model at $0.062 per option assuming a 64% volatility (based on the last 12 months of trading prior to being issued) and a Reserve Bank of Australia cash rate of 1.5%.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 5: ISSUED CAPITAL (continued)

Movements in the options reserve were as follows:	Half Year Ended 31 December 2020 No.	Year Ended 30 June 2020 No.
Balance at beginning of period	120,060,577	69,344,034
Options issued – placement	1,591,500[1]	40,366,543
Options issued – rights issue	-	10,350,000
Options issued – supplier payment	5,000,000	-
Balance at end of period	126,652,077	120,060,577

[(1)] The Chairman, Charles Lew subscribed for shares in the December 2019 share placement. The shares and options were issued on terms consistent with other shares and options issued for the same placement upon shareholder approval at the 2020 Annual General Meeting. The advance payment received from the Chairman had been treaded as other payables (refer Note 9).

Performance Rights

Share based payments reserve

Movements in share-based payments reserve were as follows:	Half Year Ended 31 December 2020 $	Year Ended 30 June 2020 $
Balance at beginning of period	-	342,710
Performance rights vested – transferred to issued capital	-	(713,042)
Performance rights lapsed – transferred from accumulated losses	-	149,352
Value of performance rights expensed during the period	732,642	220,980
Balance at end of period	732,642	-

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

Movements in performance rights	Half Year Ended 31 December 2020 No.	Year Ended 30 June 2020 No.
Balance at beginning of period	20,250,000	19,533,333
Performance rights cancelled during the period	(20,250,000)	-
Performance rights issued during the period	31,830,000	17,474,000
Performance rights vested during the period	-	(16,054,333)
Performance rights lapsed during the period	-	(703,000)
Balance at end of period	31,830,000	20,250,000

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 5: ISSUED CAPITAL (continued)

Reserve balance	Half Year Ended 31 December 2020 $	Year Ended 30 June 2020 $
Option reserve	6,790,107	6,546,798
Performance rights	732,642	-
Balance at end of period	7,522,749	6,546,798

Valuation of performance rights

i. The movement in director performance rights during the period was as follows:

Date granted	Balance 30 June 2020	Value per share	Performance period ended	Issued	Vested	Cancelled	Balance 31 December 2020
27 November 2019	5,100,000	6.0 cents	31 December 2020	-	-	(5,100,000)	-
27 November 2019	5,100,000	6.0 cents	31 December 2021	-	-	(5,100,000)	-
27 November 2019	6,800,000	6.0 cents	31 December 2020	-	-	(6,800,000)	-
30 November 2020	-	15.5 cents	31 December 2021	5,100,000	-	-	5,100,000
30 November 2020	-	15.5 cents	31 December 2022	5,100,000	-	-	5,100,000
30 November 2020	-	15.5 cents	31 December 2023	6,800,000	-	-	6,800,000
30 November 2020	-	15.5 cents	31 December 2020	500,000	-	-	500,000
30 November 2020	-	15.5 cents	31 December 2021	500,000	-	-	500,000
30 November 2020	-	15.5 cents	31 December 2022	1,000,000	-	-	1,000,000
	17,000,000			19,000,000	-	(17,000,000)	19,000,000

Shareholders at the Annual General Meeting held on 30 November 2020 approved the grant 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 and replaced the cancelled the 17,000,000 performance rights held as at 30 June 2020.

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

An expense of $200,602 was recognised for the interim period ended 31 December 2020 (2019: $24,283) in relation to the directors' performance rights.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 5: ISSUED CAPITAL (continued)

ii. The movement in employee performance rights during the period was as follows:

Date granted	Balance 30 June 2020	Value per share	Performance period ended	Issued	Vested	Cancelled	Balance 31 December 2020
4 June 2019	1,350,000	17.0 cents	31 December 2020	-	-	(1,350,000)	-
4 June 2019	1,900,000	17.0 cents	31 December 2021	-	-	(1,900,000)	-
23 October 2020	-	14.0 cents	31 December 2020	3,207,500	-	-	3,207,500
23 October 2020	-	14.0 cents	31 December 2021	3,207,500	-	-	3,207,500
23 October 2020	-	14.0 cents	31 December 2022	6,415,000	-	-	6,415,000
	3,250,000			12,830,000	-	(3,250,000)	12,830,000

Non-market based performance conditions comprise hurdles as outlined in Appendix 3G lodged with the Australian Stock Exchange on 2 December 2020.

An expense of $525,667 (2019: $334,583) was recognised during half year ended 31 December 2020 in relation to these performance rights.

NOTE 6: DIVIDENDS

The directors of the Group have not declared any dividend for the half year ended 31 December 2020 (31 December 2019: Nil).

NOTE 7: CONTINGENT LIABILITIES

There are no contingent liabilities at period end (2019: Nil).

NOTE 8: EVENTS SUBSEQUENT TO REPORTING DATE

On 22 February 2021 the Company raised approximately $100.7 million through a share placement of approximately 530 million shares at $0.19 per share. Of this amount $57.2 million was fully underwritten by Canaccord Genuity and the Company has received form commitments for the balance of $43.5 million, subject to receiving shareholders' approval at an Extraordinary General Meeting to be held at the end of March 2021.

The following additional events were significant milestones subsequent to the reporting date:

- Yangibana infill drilling at Bald Hill confirming the extension of orebody;
- The appointment of Mr Bruce McFadzean as a non-executive director; and
- The appointment of Mr Matthew Allen as chief financial officer.

Other than as outlined above there are 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 periods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 9: RELATED PARTY DISCLOSURES

	Half Year Ended 31 December 2020 $	Half Year Ended 31 December 2019 $
Office rental and administration expenses[1]	19,626	44,925
Finance costs	771	-

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

	Half Year Ended 31 December 2020	Year Ended 30 June 2020
Advance paid for purchase of shares[2]	-	455,169
Right-of-use assets	78,504	-
Lease liability current	59,380	-

[2]In December 2019, the Chairman, Charles Lew subscribed for shares and options in a share placement subject to shareholder approval, with funds received from Mr Lew treated as other payables until shareholder approval was received at the 2020 Annual General Meeting.

DIRECTORS' DECLARATION

In the opinion of the directors of Hastings Technology Metals Ltd ('the Company or the Group''):

a. The financial statements and notes thereto, as set out on pages 12 to 26, are in accordance with the Corporations Act 2001 including:

   i. giving a true and fair view of the Group's financial position as at 31 December 2020 and of the performance of the Group for the half year then ended; and

   ii. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

b. Subject to the matters set out in Note 1(b) to the Financial Statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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.

Charles Lew
Executive Chairman

12 March 2021

Independent auditor's review report to the members of Hastings Technology Metals Ltd

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Hastings Technology Metals Ltd (the Company) and the entities it controlled during the half-year (together the Group), which comprises the Condensed consolidated statement of financial position as at 31 December 2020, the Condensed consolidated statement of changes in equity, Condensed consolidated statement of cash flows and Condensed consolidated statement of profit or loss and other comprehensive income for the half-year ended on that date, significant accounting policies and explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Hastings Technology Metals Ltd does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date, and

2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

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 the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

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Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PricewaterhouseCoopers

PricewaterhouseCoopers

Helen Bathurst

Helen Bathurst
Partner

Perth
12 March 2021