

## SEPTEMBER 2021 QUARTERLY REPORT

**Hyperion Metals Limited (ASX: HYM) ("Hyperion" or "the Company")** is pleased to provide its quarterly report for the period ended 30 September 2021. Highlights during and after the quarter included:

### ***Outstanding progress at the Titan Project***

- Delivery of the maiden Mineral Resource for the Titan Project confirming the Titan Project as one of the largest and most important critical mineral deposits in the U.S.
- The Mineral Resource comprises 431Mt @ 2.2% THM, containing 9.5Mt THM at a 0.4% cut-off, which includes a high-grade core of 195Mt @ 3.7% THM, containing 7.1Mt THM at a 2.0% cut-off.
- The shallow, high grade and unconsolidated nature of the sandy mineralization enables the potential for simple mining operations such as dozer push followed by an industry standard mineral processing flowsheet.
- Confirmation of a new, near surface, high grade deposit close to Hyperion's maiden Mineral Resource called the Camden Deposit.
- Significant growth in the Titan Project landholdings during and after the quarter's end to approximately 10,905 acres, a 78% increase since the last quarter.

### ***Establishing a world class advanced materials market leader***

- Option to acquire Blacksand Technology, LLC, establishing a clear market leader in advanced titanium technologies that offer low cost, low carbon titanium metal and powders from sustainable all-American recycled metal and critical minerals supply chains.
- The combination of Hyperion and Blacksand is transformational - bringing together two highly complementary organizations to establish a world-class advanced materials and critical minerals market leader.
- The strategic rationale behind the agreement includes ownership of an operational pilot titanium production facility in Utah, USA, that can upgrade titanium minerals, produce titanium metal and produce titanium spherical powders
- Further, the agreement provides security and control over the patented Blacksand technologies, being the exclusive commercial licensing rights for more than 40 global patents focused on advanced metal production technologies.
- Hyperion also established a technology partnership with EOS GmbH, a global leader in industrial 3D printing, aiming to accelerate the deployment of Hyperion's HAMR and GSD technologies to produce low cost, low carbon titanium metal and powders.

### ***Strong critical mineral markets***

- The global pigment market is remains strong, with significant increases in pricing announced by major producers for Q4 2021.
- Pricing increases included spot monazite (a rare earth containing mineral) prices of over US\$7,000 per

tonne, zircon prices of over US\$1,800 per tonne (with spot prices over US\$2,500 per tonne recorded in China), rutile prices of over US\$2,000 per tonne and ilmenite prices of up to US\$350 per tonne.

- Metallurgical testwork highlighting the potential for a high-value rare earth product to be produced at Hyperion's Titan Project. The high proportion of Nd+Pr and Tb+Dy identified in Hyperion's monazite and xenotime sample is highly favorable when compared to major western-based rare earth producers.

#### ***Appointment of U.S. Directors, advisory board members and cornerstone investment***

- Appointment of leading U.S. based independent Non-Executive Directors Lorraine Martin (former VP & GM, Lockheed Martin), Beverly Wyse (former VP & GM, Boeing) and Melissa Waller (former Deputy Treasurer, North Carolina Department of State Treasury).
- Further additions to the Company's Scientific and Technology Advisory Board, including Ali Yousefiani (Boeing), Elina Fu (former TIMET & SpaceX) and Tom Witheford (former Allegheny Technologies & GKN Powder Metallurgy)
- Completion of a ~US\$17.6 million (A\$24 million) capital raising led by cornerstone investor, Fidelity Management & Research Company, LLC., an American multinational financial services corporation.

#### ***Continued ESG focus***

- Continued work with PGS Consults on an Environmental, Sustainability and Corporate Governance assessment and subsequent integration study, completing the initial materiality assessment, with a life cycle assessment and creation of a playbook for ESG leadership underway.

For further information and enquiries please contact:

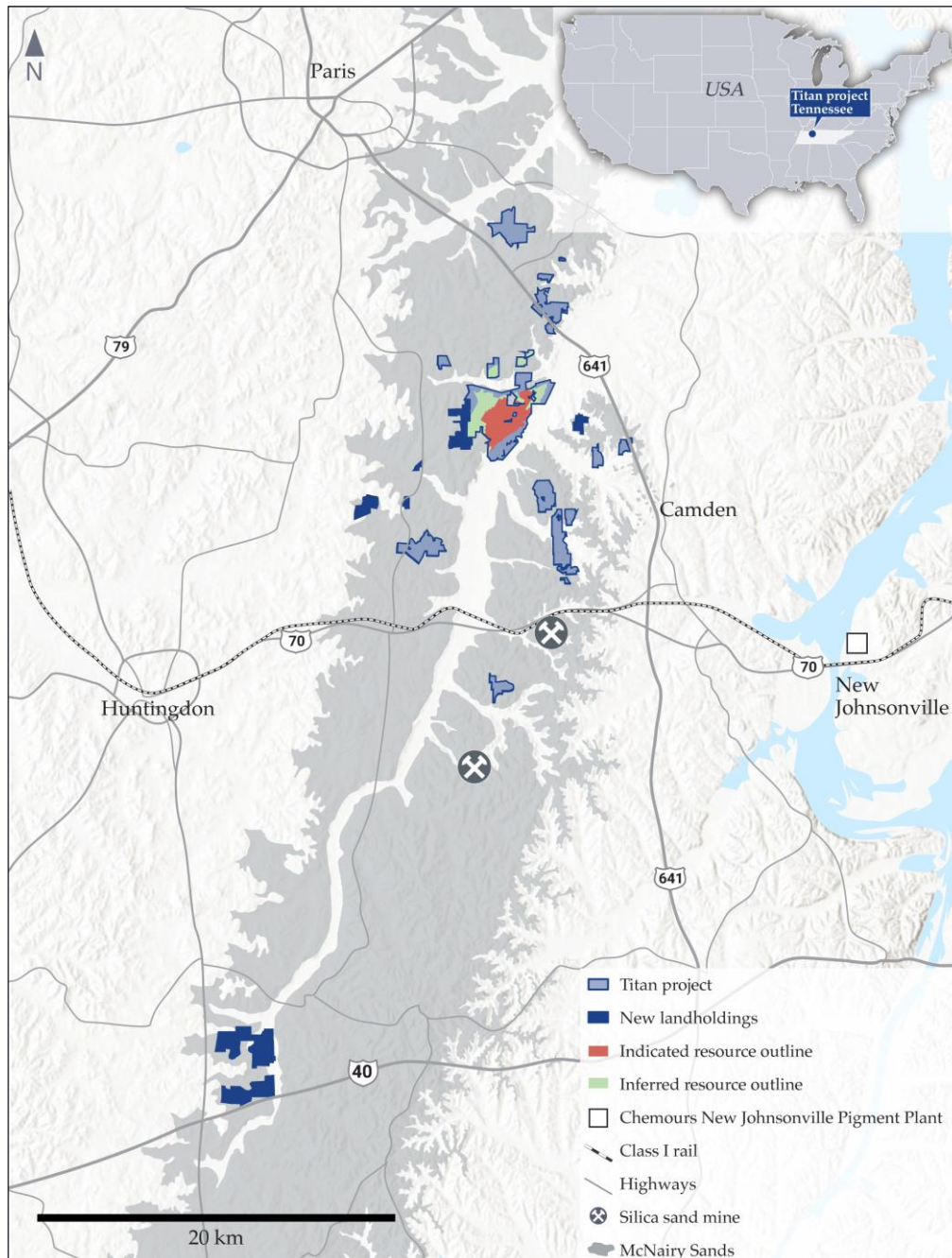
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## MAIDEN MINERAL RESOURCE ESTIMATE

During the quarter the Company delivered its maiden Mineral Resource estimate ("MRE") for the Titan Project, comprising 431Mt @ 2.2% THM, containing 9.5Mt THM at a 0.4% cut-off, which includes a high-grade core of 195Mt @ 3.7% THM, containing 7.1Mt THM at a 2.0% cut-off. There is a high level of confidence associated with the MRE classification, with 56% (241Mt) classified as being in the Indicated resource category. Mineralization occurs as a single, large, and coherent near-surface deposit.

The MRE has confirmed that the Titan Project is one of the largest and most important critical mineral deposits in the U.S., with a high in-situ value underpinned by a product assemblage of high value zircon, titanium minerals and heavy and light rare earth elements. The shallow, high grade and unconsolidated nature of the sandy mineralization enables the potential for simple mining operations such as dozer push followed by an industry standard mineral processing flowsheet.



**Figure 1: Titan Project, new landholdings added during and after the quarter end and the MRE outline.**

The delivery of Hyperion's large-scale maiden MRE at the Titan Project is a key step in developing a fully integrated domestic titanium metal and rare earth metal supply chain. This is of strategic importance for the

U.S., as the country is one of the largest global consumers of finished products containing these metals, but is currently 100% import reliant. The current focus from both industry and the U.S. government is upon re-shoring these critical minerals and building resilient and long lasting supply chains, which can be achieved by the development of Hyperion's operations.

Titan Project	Cut off	Tons	THM %	THM	THM assemblage				
					Zircon	Rutile	Ilmenite	REE	Staurolite
	(THM %)	(Mt)	(%)	(Mt)	(%)	(%)	(%)	(%)	(%)
<b>Total Mineral Resource</b>	<b>0.4</b>	<b>431</b>	<b>2.2</b>	<b>9.5</b>	<b>11.5</b>	<b>9.5</b>	<b>40.3</b>	<b>2.1</b>	<b>14.8</b>
<b>Including High Grade Core</b>	<b>2.0</b>	<b>195</b>	<b>3.7</b>	<b>7.1</b>	<b>12.1</b>	<b>9.9</b>	<b>42.0</b>	<b>2.3</b>	<b>10.7</b>

**Table 1: Titan Project MRE at 0.4% and 2.0% cut-off grades.**

The shallow, high grade and unconsolidated nature of mineralization enables the potential for simple mining operations supported by an industry standard mineral processing flowsheet.

The MRE contains a high proportion of titanium minerals, but also benefits from an excellent ratio of other high value minerals including zircon and the rare earth elements contained in the minerals monazite and xenotime. Preliminary chemical analysis to date has highlighted the potential for Titan Project products to be sold into premium priced markets, with further test work underway to assess potential products and specifications.

In-situ grade & tonnes									
Zircon		Rutile		Ilmenite		REE		Staurolite	
%	(Kt)	%	(Kt)	%	(Kt)	%	(Kt)	%	(Kt)
<b>0.25</b>	<b>1,092</b>	<b>0.21</b>	<b>900</b>	<b>0.88</b>	<b>3,826</b>	<b>0.05</b>	<b>201</b>	<b>0.28</b>	<b>1,225</b>

**Table 2: In-situ product grade and tonnes at 0.4% cut-off grade.**

The Titan Project is strategically located near Camden, Tennessee, and will benefit from significant cost advantages due to the location and proximity to low cost, world-class infrastructure.

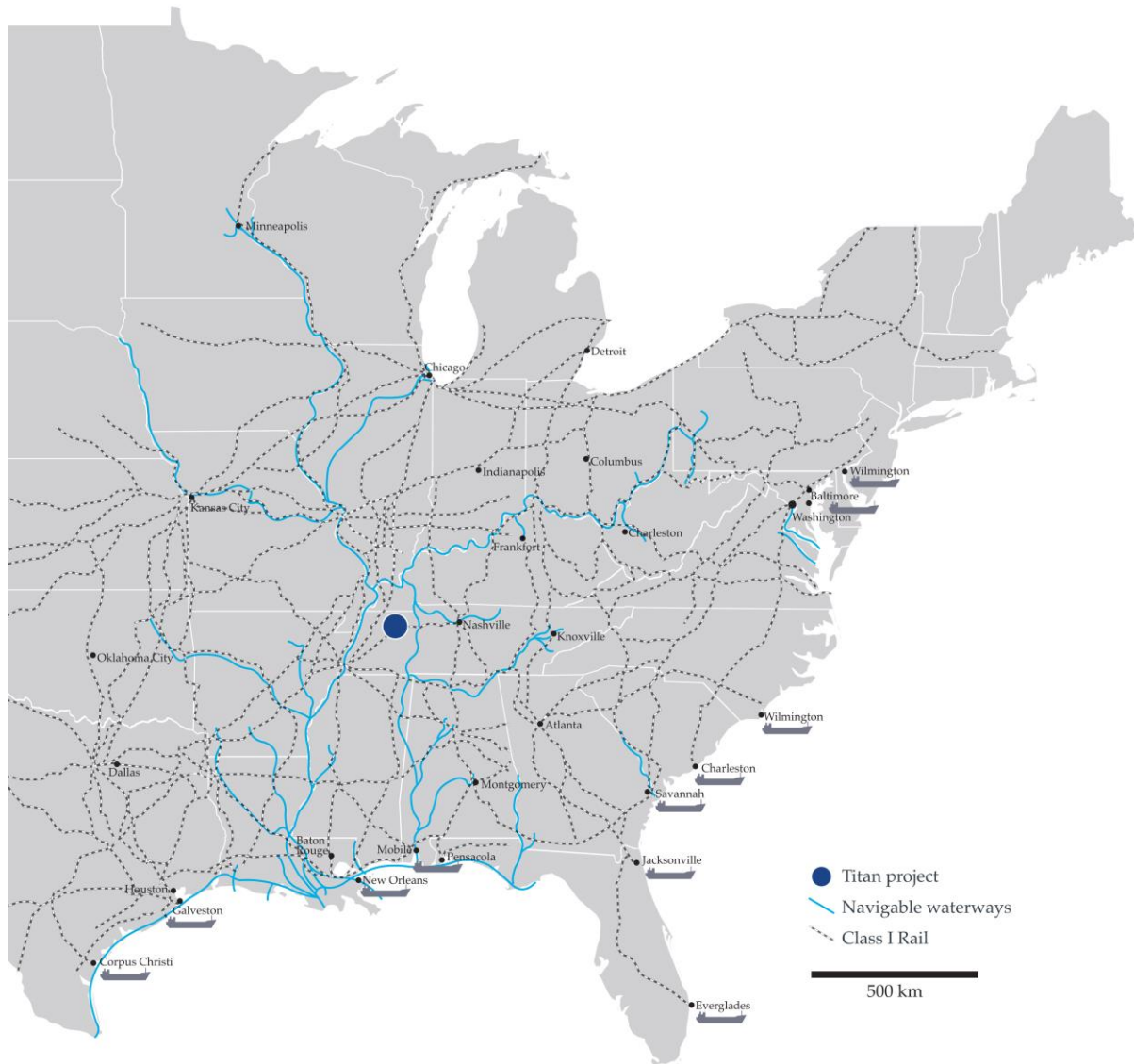
95,000 miles of highway, including 8 interstate highways, put Tennessee within a day's drive of a majority of U.S. consumer markets. Tennessee is the third largest rail center in the U.S. and there are more than 1,000 miles of navigable waterways which access all other major waterways in the eastern U.S. There are over four commercial airports near Camden, including two international airports at Memphis and Nashville.

This world class infrastructure is expected to provide material cost and logistics advantages compared to projects located in more remote areas. The existing infrastructure includes low-cost power and gas, with high-capacity transmission lines near the Project, abundant transportation infrastructure including the Norfolk Southern mainline running through Camden, the major I-40 highway just 10 miles south of Camden and a major barge-loading point 15 miles from the Titan Project connecting to all major U.S. customers and export ports.

	Tennessee, USA	Western Australia
<b>Power</b>	US\$0.06/kWh (100% renewable)	US\$0.13/kWh
<b>Diesel</b>	US\$0.94/l (Biodiesel, B100)	US\$1.10/l
<b>Operator salary</b>	US\$50,000	US\$125,000
<b>FIFO camp</b>	×	✓
<b>Federal corporate tax</b>	21%	30%

**Table 3: Comparison of major economic variables between Tennessee and Western Australia.**

Further, a very cost-competitive, skilled local workforce removes any potential requirements for FIFO operations or the construction of a mining camp. The area has low-cost housing compared with the rest of the USA, with median house prices of US\$113,000 compared to over US\$380,000 for the USA. In addition, over 4 million people live just over 90 minutes away by car in the Nashville and Memphis metropolitan areas.



**Figure 3: Titan Project location and proximity to major transportation infrastructure.**

The Titan Project also benefits from a major logistical advantage over many other critical minerals that are imported into the U.S. This results in both a cost advantage (lower delivered cost for the consumer of the minerals) and a lower carbon intensity supply chain. This supply chain advantage is most prominent in the import of titanium feedstocks and is expected to result in a major cost advantage delivering into the U.S. pigment market.



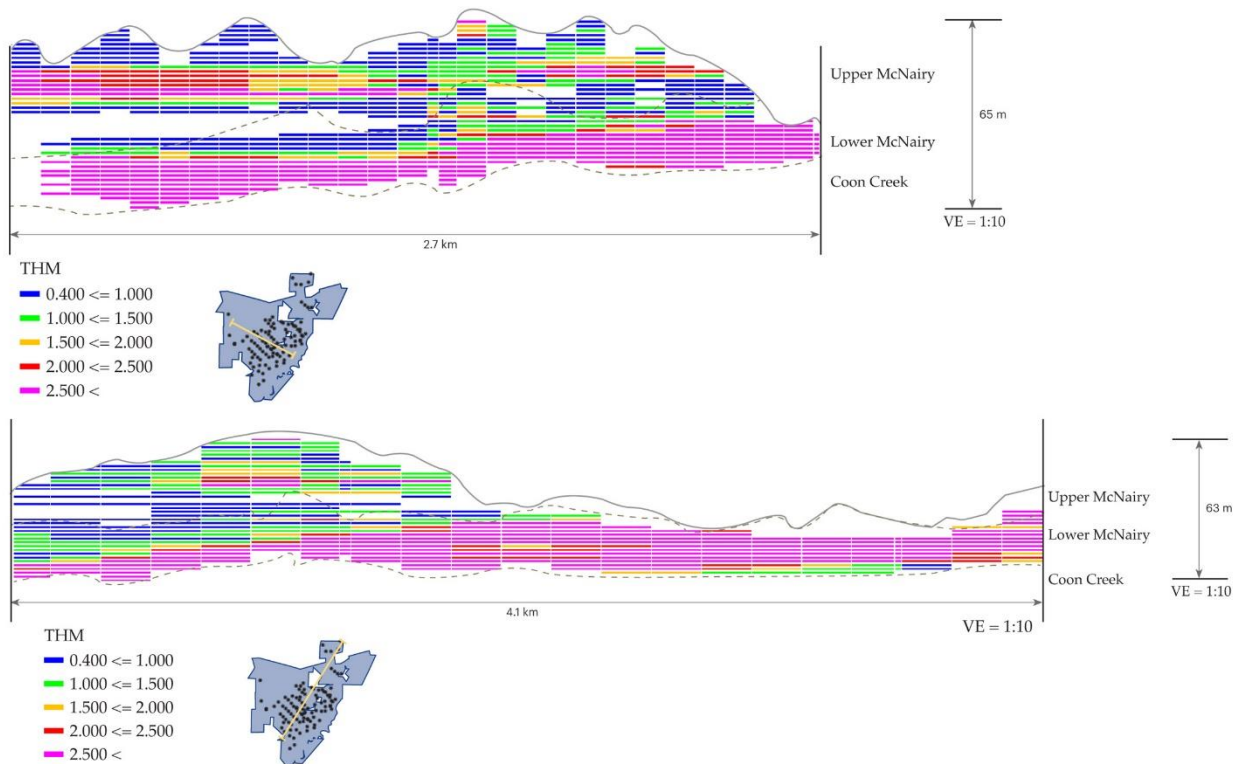
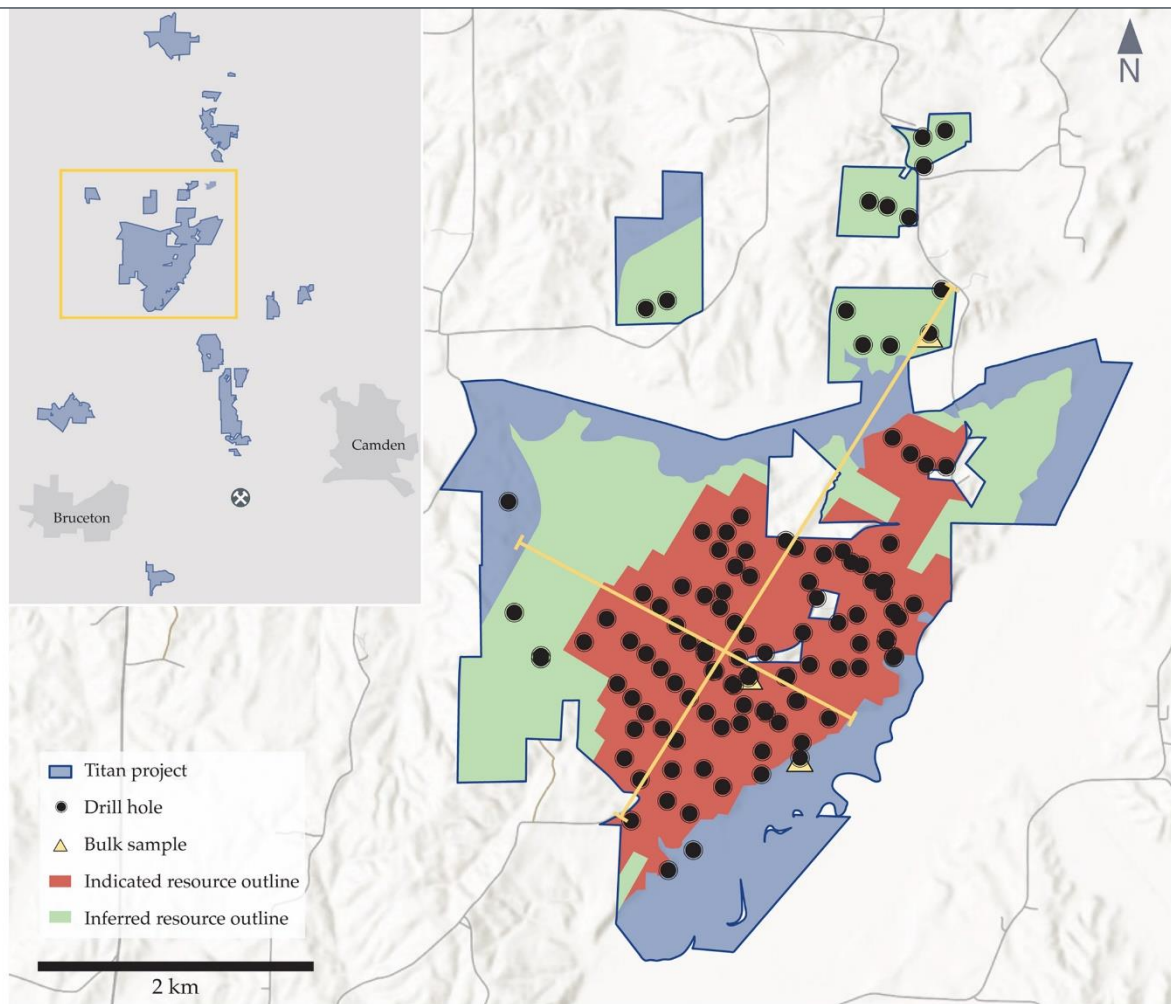


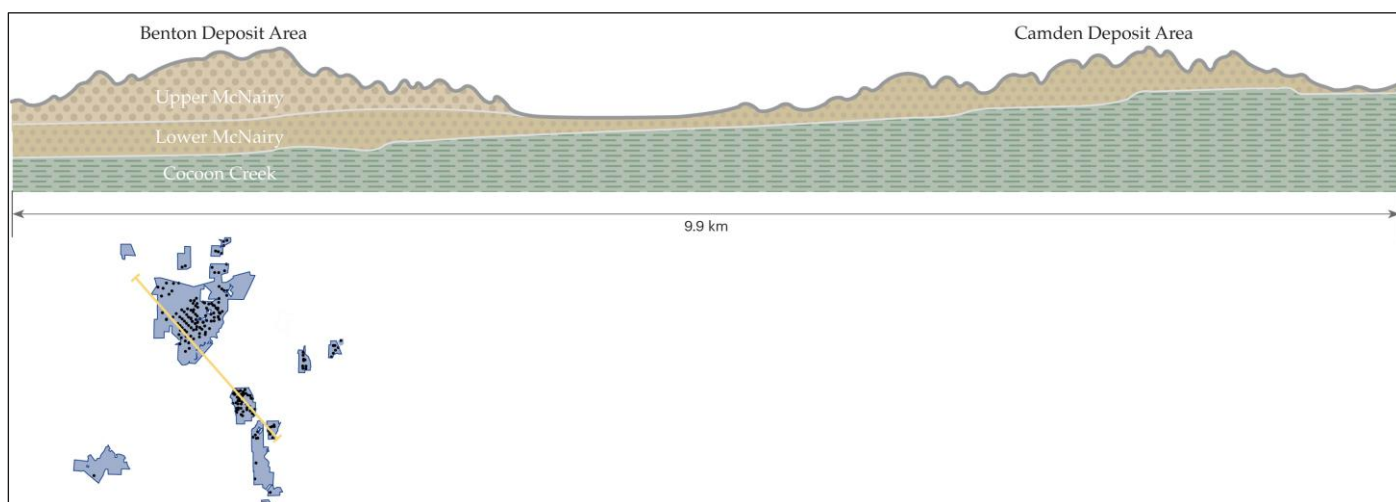
Figure 4: MRE plan view, cross section and long section.

## CAMDEN DRILL RESULTS

Subsequent to the end of the quarter, exploration drilling confirmed a new, near surface, high grade deposit close to Hyperion's maiden MRE called the Camden Deposit, which reaffirms the Titan Project in West Tennessee as a major critical mineral province.

Given these results, and the potential for compelling economics including low strip and high grade, the Scoping Study has been expanded to incorporate the Camden Deposit, now targeted for completion in Q1 2022.

The new Camden Deposit represents the up-dip extension of the lower portion of the McNairy Sand formation encountered in Hyperion's Benton Deposit. The McNairy Sand dips gently to the west and the Camden deposit represents the most easterly outcrop of this formation. The upper McNairy Sand at the Camden deposit has been eroded away resulting in a shallow expression of the higher grade, lower McNairy Sand. Current drill results show an average depth to mineralization of ~4.5m and an average thickness of ~20m.



*Figure 5: Cross section of the underlying geology of the Benton and Camden areas.*

The Company completed 80 holes and a 1 tonne bulk sample from the Camden area, consistently encountering high-grade mineralization. Assays received from the first 30 holes at the Camden area showed thick, high-grade intercepts with the remaining 50 drill holes and test work on the bulk sample expected to be released during the current quarter.

## BLACKSAND PURCHASE AGREEMENT

Subsequent to the end of the quarter, Hyperion entered into an agreement for the option to acquire Blacksand up until 31 December 2022 ("Option Agreement").

The acquisition of Blacksand establishes a clear market leader in advanced titanium technologies that offer low cost, low carbon titanium metal and powders from sustainable all-American recycled metal and critical minerals supply chains.

Blacksand holds the exclusive commercial licensing rights for more than forty global patents through a license agreement with the University of Utah ("License Agreement"), including the global patents for the breakthrough HAMR and GSD technologies that can produce low cost and low carbon titanium metal. The License Agreement grants Blacksand a royalty-bearing exclusive license to commercialize the intellectual property that Blacksand developed in conjunction with the University of Utah. The License Agreement automatically continues unless one of the parties terminates. Hyperion will be able to apply this patent and technology platform across a wider range of advanced metal alloys and powders for markets including space, aerospace, electric vehicles and 3D printing.

Hyperion will have best-in-class innovation capabilities with a world leading advanced materials research and development team, including Dr. Zak Fang, Dr. Kesh Keshavan and Dr. Pei Sun, to fully capture the opportunities in low carbon advanced metals

The acquisition provides life of technology cost benefits through a significantly reduced royalty rate from ~5% of revenue, to 0.5% on cumulative net sales greater than US\$300,000,000.

Hyperion will establish an endowed chair professorship at the University of Utah, used to support research and development, including funding research grants, scholarships and internships directly related to the advancement of Hyperion's patented technologies. The collaboration with the University of Utah provides Hyperion with access to significant R&D resources and personnel from a world class metallurgical engineering department.

Blacksand owns an operational titanium metal and powders production facility, located in a leased building in Salt Lake City, Utah currently producing material amounts of product for qualification of commercial applications with prospective customers, as well as an advanced materials research and development laboratory that has a track record of successfully progressing research into commercial development.

Hyperion intends to significantly increase production of titanium metals powders at Blacksand's pilot production facility. Economic and engineering studies are underway to evaluate an expansion of the current operational plant - that can produce titanium metals powders from either titanium scrap metal or titanium ore feedstocks - to pre-production scale.



*Figure 6: From left to right; Anastasios Arima and Dr. Z Zak Fang, Mr. Arima with lab scale furnace, Dr. Pei Sun, Mr. Arima, Mr. Lamont Leatherman standing atop pilot scale furnace.*

## HIGH VALUE HEAVY RARE EARTHS TESTWORK RESULTS

Hyperion release metallurgical testwork that highlighted the potential for a high-value rare earth product to be produced at Hyperion's Titan Project. The rare earths are contained within the minerals monazite and xenotime, and are planned to be produced at the Titan Project as a component of its heavy mineral sand concentrate product portfolio.

When pricing for the various rare earth oxides found within the rare earth fraction of the mineral is applied, a "basket price" for a combined rare earth oxide can be estimated. The high proportion of Nd+Pr (neodymium and praseodymium) and Tb+Dy (terbium and dysprosium) identified in Hyperion's monazite and xenotime sample is highly favorable when compared to major western-based rare earth producers, including MP Materials and Lynas Rare Earths, and highlights the potential for the Titan Project to be a strategic domestic source of highly valuable heavy rare earth feedstocks in a low risk, tier 1 jurisdiction.



	Rare Earth Oxide	% REO	% of total REO	REO price (US\$/kg)	Basket value (US\$/kg)	% basket value
Light REO	Lanthanum	10.5%	17.9%	2	0.3	1%
	Cerium	21.9%	37.3%	2	0.6	1%
	<b>Praseodymium</b>	<b>2.6%</b>	<b>4.4%</b>	<b>99</b>	<b>4.4</b>	<b>12%</b>
	<b>Neodymium</b>	<b>9.9%</b>	<b>16.8%</b>	<b>94</b>	<b>15.8</b>	<b>42%</b>
	Samarium	1.8%	3.1%	2	0.1	0%
Heavy REO	Europium	0.2%	0.3%	30	0.1	0%
	Gadolinium	1.5%	2.5%	41	1.0	3%
	<b>Terbium</b>	<b>0.2%</b>	<b>0.3%</b>	<b>1285</b>	<b>4.4</b>	<b>12%</b>
	<b>Dysprosium</b>	<b>1.2%</b>	<b>2.0%</b>	<b>408</b>	<b>8.3</b>	<b>22%</b>
	Holmium	0.2%	0.4%	136	0.5	1%
	Erbium	0.7%	1.1%	30	0.3	1%
	Thulium	0.1%	0.2%	N/A	-	-
	Ytterbium	0.5%	0.9%	21	0.2	1%
	Lutetium	0.1%	0.1%	859	1.2	3%
Other	Yttrium	7.4%	12.7%	5	0.7	2%
	<b>Total REE</b>	<b>58.7%</b>	<b>100.0%</b>		<b>37.7</b>	

**Table 4: Element analysis of Titan Project rare earth concentrate, highlighting the rare earth oxide component.**

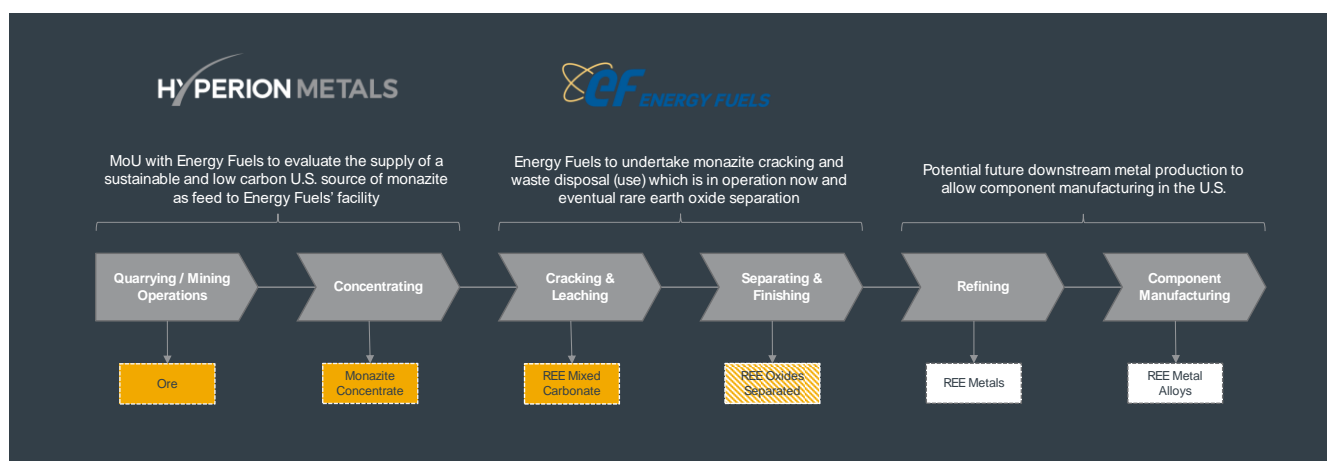
Monazite typically has a valuable distribution of the light rare earths Nd+Pr, and xenotime has a superior distribution of the highly valuable heavy rare earths Tb+Dy.

Rare earths are found in various geological settings around the world, including in the mineral bastnaesite (MP Materials' Mountain Pass operation, California), Monazite (Lynas Rare Earths' Mount Weld operation, Western Australia) and laterite / clay (various Chinese producers, Jiangxi province).

In Q2 2021, Hyperion and Energy Fuels Inc. ("Energy Fuels") (NYSE: UUUU) executed a memorandum of understanding ("MOU") to evaluate the supply of rare earth minerals from the Titan Project to Energy Fuels' White Mesa Mill in Utah, as well as evaluating a potential collaboration to establish a fully integrated, "mine to market" U.S. rare earth supply chain for the electric vehicle and renewable energy sectors.

Importantly, the MOU allows the potential for rapid and low capex entry to the U.S. rare earth supply chain by utilizing Energy Fuels' existing White Mesa mill in Utah.

The MOU highlights the importance of Hyperion's Titan Project as a potentially important source of high value U.S. rare earth minerals, and in particular heavy rare earths, that are expected to be crucial in rebuilding sustainable American transportation, energy and defense sectors.



**Figure 7: Hyperion & Energy Fuels' proposed partnership within the U.S. rare earths supply chain.**

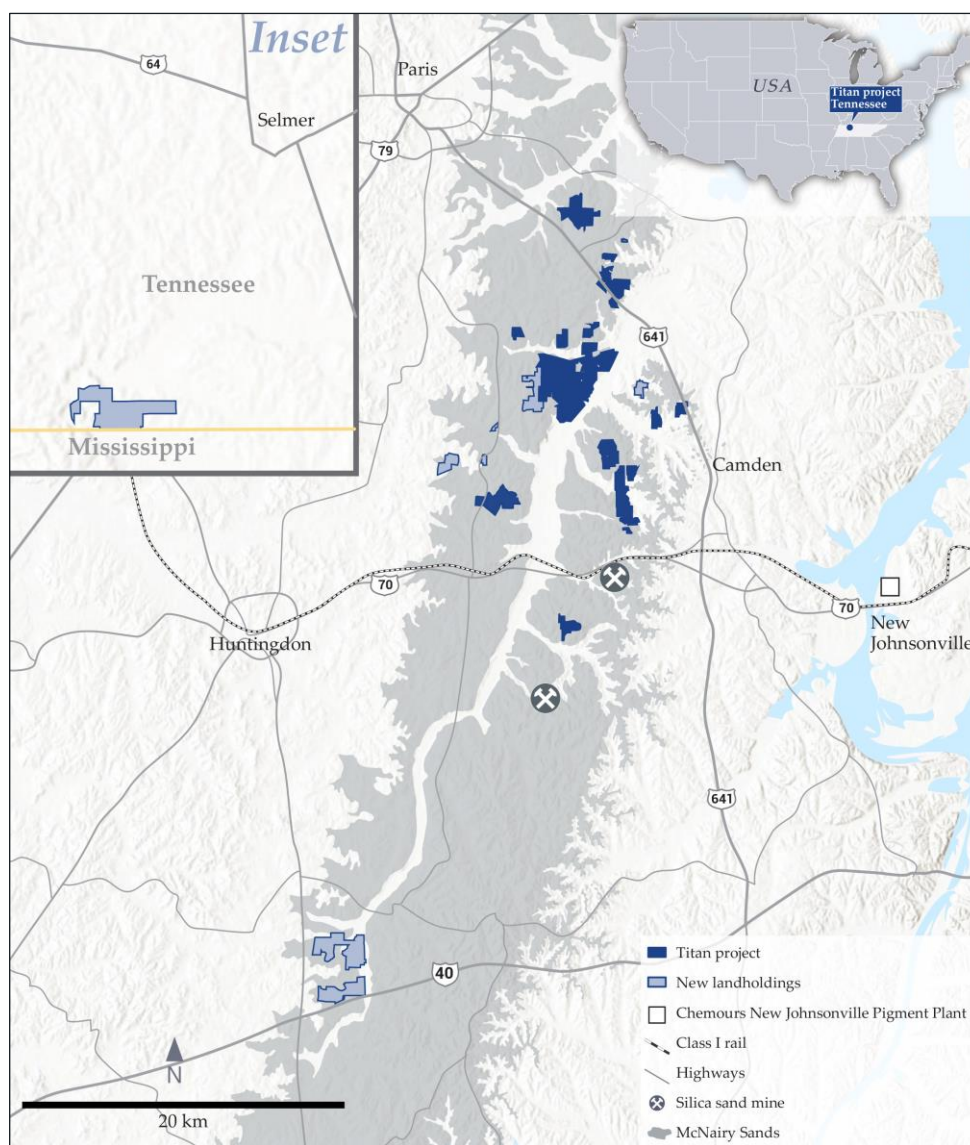
## TECHNOLOGY PARTNERSHIP WITH EOS

Hyperion announced the execution of an MOU for a technology partnership with EOS GmbH, the world's leading solution supplier for industrial 3D printing of metals and plastics. The technology partnership aims to accelerate the deployment of Hyperion's patented HAMR and GSD technologies for the potential production of low cost, low-to-zero carbon titanium metal and powders. The collaboration will focus on:

- Technical and economic evaluation of powders produced via the HAMR and GSD processes for use in additive manufacturing as compared to the current titanium metal powders
- Recyclability of titanium metal powders using the HAMR and/or GSD technology processes
- Environmental and sustainability evaluation of powders produced via the HAMR and GSD processes for use in additive manufacturing versus other production processes

## LAND POSITION GROWS BY 78%

During the quarter Hyperion increased its holdings of titanium, zircon, rare earth minerals and silica rich mineral sands properties at its Titan Project by 4,794 acres to 10,905 acres, a 78% increase in landholding of the United States' largest deposit of critical minerals.



**Figure 8: Titan Project location highlighting Hyperion's new landholdings.**

Importantly, a significant amount of new land is held around the new Camden Deposit, which represents the up-dip extension of the lower portion of the McNairy Sand formation encountered in Hyperion's Benton Deposit, with the potential for compelling economics including low strip and high grades.

The additional land was secured through option agreements signed with local landowners at the Titan Project on substantially the same terms as the Company's existing option agreements.

## **PROGRESSION OF SUSTAINABILITY LIFE-CYCLE STUDIES**

Hyperion is continuing to work closely with Presidio Graduate School's expert consulting division, PGS Consults on its Environmental, Sustainability and Corporate Governance ("ESG") assessment and subsequent integration study. PGS Consults has completed the initial materiality assessment, and a life cycle assessment and creation of a playbook for ESG leadership is underway.

The ESG integration study will outline material physical and economic ESG metrics as well as major development milestones and timelines. The Company expects the ESG assessment and integration study to be completed in late Q4 2021.

## **LEADING U.S. BASED DIRECTORS ADDED TO THE COMPANY'S BOARD**

Lorraine Martin, Beverly Wyse and Melissa Waller were appointed as independent Non-Executive Directors of Hyperion Metals, effective from 13 September 2021.

- **Lorraine Martin** has 35 years of experience in aerospace, leading a range of global business programs at Lockheed Martin (NYSE: LTM) from VP of the C-130 & C-5 Programs, to VP & GM F-35 Lightning II Program, and then EVP and Deputy of the Rotary & Mission Systems division. Lorraine is currently President and CEO of the National Safety Council.
- **Beverly Wyse** has over 30 years of leadership experience with Boeing (NYSE: BA), the world's largest aerospace company, where she held a range of senior executive roles including President of Shared Services, VP & GM of Boeing South Carolina, VP & GM 737 Program and the VP & GM 767 Program.
- **Melissa Waller** has over 30 years' finance experience and is the President of the AIF Institute, providing essential education, research, and resources to investors and investment firms globally with over \$50 trillion AUM. Melissa also serves as Executive Program Director for the National Institute of Public Finance and Director of Public and Private Partnerships for the Kenan Institute and is the former Deputy Treasurer and Chief of Staff for the North Carolina Department of State Treasury.

## **A\$24 MILLION CAPITAL RAISING**

Hyperion completed a placement of 20 million shares at an issue price of A\$1.20 per share to institutional, sophisticated and professional investors to raise gross proceeds of A\$24 million (~US\$17.6 million).

The Placement was led by cornerstone investor, Fidelity Management & Research Company, LLC., an American multinational financial services corporation. Based in Boston, Massachusetts, Fidelity is one of the largest investment management firms in the United States, with over 26 million customers, US\$6.5 trillion in total customer assets, and more than US\$2.4 trillion in global assets under management.

Proceeds from the Placement will be used to accelerate the scale-up and commercialization of Hyperion's titanium metal and metal powder technologies and for the advancement of Hyperion's Titan Project.

## **OTHER CORPORATE**

### ***Advisory Board Additions***

Hyperion established a Capital Markets Advisory Board and a Scientific and Technology Advisory Board to advance potential strategic partnerships for financing, development, and operational activities as well as accelerate the research, development and commercialization of our patented titanium metal and powders technologies. During the quarter, the following key additions were made to the Scientific and Technology Advisory Board:

- **Dr. Ali Yousefiani** –Technical Fellow and the Chief Scientist for Metallic Materials Technology for Boeing Research & Technology. Boeing is the world's largest aerospace company and leading manufacturer of commercial jetliners, defense, space and security systems, and is one of the world's largest consumers of

titanium metal and products. Dr. Yousefiani is responsible for insertion of advanced metallic-based material technologies into current and future Boeing product platforms. He leads a wide range of cutting-edge programs aimed at the maturation of durable, manufacturable, and commercially deployable metallic airframe structures.

- **Dr. Eliana Fu** – Materials scientist with extensive industry experience in aerospace additive and traditional manufacturing at Titanium Metals Corp (TIMET). She also had roles with SpaceX and Relativity Space, who are global leaders in the application of 3D printing for rocket production for space exploration. She participated in former Los Angeles Mayor Eric Garcetti's Advanced Manufacturing Committee and is Ambassador for the Las Vegas Chapter of Women in 3D Printing.
- **Mr. Tom Witheford** – Highly experienced specialty metals executive, having spent 30 years in leadership roles including as President of Allegheny Technologies (ATI) Specialty Materials division, Managing Director Europe & Asia for GKN Powder Metallurgy, and President of Precision Castparts Corp's Special Metals division. He has deep experience across the production of metal alloys, titanium, alloy applications and 3D printing.

## ASX - ADDITIONAL INFORMATION

### ***Mining properties – Titan Project***

At September 30, 2021, the Titan Project comprised of approximately 7,277 acres of surface and associated mineral rights in Tennessee prospective for heavy mineral sands, rich in minerals critical to the U.S, including titanium, rare earth minerals, high grade silica sand and zircon, of which approximately 137 acres are owned and approximately 7,140 acres are subject to exclusive option agreements. These exclusive option agreements, upon exercise, allow us to purchase or, in some cases lease, the surface property and associated mineral rights. During the quarter, the Company entered into new option agreements covering approximately 1,166 acres with local landowners.

### ***Mining properties – Milford Project***

At September 30, 2021, the Milford Project comprised the following tenements:

Tenement	Location	Interest
ML-001 to ML-100, ML-051a	Utah, USA	100%
Total number of claims	101	

### ***Mining exploration expenditures***

During the quarter, the Company made the following payments in relation to mining exploration activities:

Activity	US\$000
Drilling and assaying	(402)
Metallurgical test work	(42)
Geological consultants	(112)
Permitting	(206)
Technical studies	(385)
Field supplies, vehicles, travel and other	(52)
<b>Total as reported in Appendix 5B</b>	<b>(1,199)</b>

### ***Related party payments***

During the quarter, the Company made payments of approximately US\$60,000 to related parties and their associates. These payments relate to executive directors' remuneration, non-executive directors' fees, employer 401(k) contributions, superannuation contributions and fees for services in relation to business development activities.

This announcement has been authorized for release by the CEO and Managing Director.



## ABOUT HYPERION METALS

Hyperion's mission is to be the leading developer of zero carbon, sustainable, critical material supply chains for advanced American industries including space, aerospace, electric vehicles and 3D printing.

Hyperion holds a 100% interest in the Titan Project, covering approximately 11,000 acres of titanium, rare earth minerals, high grade silica sand and zircon rich mineral sands properties in Tennessee, USA.

Hyperion has secured an option to acquire Blacksand Technology, LLC, which holds the rights to produce low carbon titanium metal and spherical powders using the breakthrough HAMR & GSD technologies. The HAMR & GSD technologies were invented by Dr. Z. Zak Fang and his team at the University of Utah with government funding from ARPA-E.

The HAMR technology has demonstrated the potential to produce titanium powders with low-to-zero carbon intensity, significantly lower energy consumption, significantly lower cost and at product qualities which exceed current industry standards. The GSD technology is a thermochemical process combining low-cost feedstock material with high yield production and can produce spherical titanium and titanium alloy powders at a fraction of the cost of comparable commercial powders.

Hyperion also has signed an MOU to establish a partnership with Energy Fuels (NYSE:UUUU) that aims to build an integrated, all-American rare earths supply chain. The MOU will evaluate the potential supply of rare earth minerals from Hyperion's Titan Project to Energy Fuels for value added processing at Energy Fuels' White Mesa Mill. Rare earths are highly valued as critical materials for magnet production essential for wind turbines, EVs, consumer electronics and military applications.

## **Forward Looking Statements**

*Information included in this release constitutes forward-looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.*

*Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance, and achievements to differ materially from any future results, performance, or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the Company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.*

*Forward looking statements are based on the Company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company's business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company's control.*

*Although the Company attempts and has attempted to identify factors that would cause actual actions, events, or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements, or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward-looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.*

## **Competent Persons Statement**

*The information in this announcement that relates to Exploration Results and Mineral Resources is extracted from Hyperion's ASX Announcement dated 6 October 2021 ("Original ASX Announcement") which is available to view at Hyperion's website at [www.hyperionmetals.us](http://www.hyperionmetals.us). Hyperion confirms that a) it is not aware of any new information or data that materially affects the information included in the Original ASX Announcement; b) all material assumptions included in the Original ASX Announcement continue to apply and have not materially changed; and c) the form and context in which the relevant Competent Persons' findings are presented in this report have not been materially changed from the Original ASX Announcement.*

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Hyperion Metals Limited

ABN

84 618 935 372

Quarter ended ("current quarter")

30 September 2021

Consolidated statement of cash flows		Current quarter USD\$'000	Year to date (3 months) USD\$'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(1,199)	(1,199)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(644)	(644)
	(e) administration and corporate costs	(253)	(253)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	6	6
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material):		
	(a) business development	(315)	(315)
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(2,405)</b>	<b>(2,405)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	(123)	(123)
	(c) property, plant and equipment	(7)	(7)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter USD\$'000	Year to date (3 months) USD\$'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material):		
	(a) cash acquired on asset acquisition	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(130)</b>	<b>(130)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	17,604	17,604
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	2,078	2,078
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(404)	(404)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>19,278</b>	<b>19,278</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,698	1,698
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,405)	(2,405)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(130)	(130)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	19,278	19,278



<b>Consolidated statement of cash flows</b>		<b>Current quarter USD\$'000</b>	<b>Year to date (3 months) USD\$'000</b>
4.5	Effect of movement in exchange rates on cash held	(363)	(363)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>18,078</b>	<b>18,078</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter USD\$'000</b>	<b>Previous quarter USD\$'000</b>
5.1 Bank balances	697	508
5.2 Call deposits	17,381	1,190
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>18,078</b>	<b>1,698</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter  
USD\$'000**

(60)

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

**7. Financing facilities**

*Note: the term "facility" includes all forms of financing arrangements available to the entity.*

*Add notes as necessary for an understanding of the sources of finance available to the entity.*

	<b>Total facility amount at quarter end USD\$'000</b>	<b>Amount drawn at quarter end USD\$'000</b>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-

7.5 **Unused financing facilities available at quarter end** -

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Not applicable

<b>8. Estimated cash available for future operating activities</b>	<b>USD\$'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(2,405)
8.2 (Payments for exploration & evaluation classified as investment activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(2,405)
8.4 Cash and cash equivalents at quarter end (item 4.6)	18,078
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	18,078
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>7.5</b>

*Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.*

8.8 8.8.1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Not applicable

8.8.2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Not applicable

8.8.3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Not applicable

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: October 28, 2021

Authorised by: Company Secretary  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.