

10 November 2021

ASX ANNOUNCEMENT

Alltype secures ~\$12 million strategic Lynas rotary kiln contract, WestStar completes \$3.5 million Placement

Contract award a foundation for new business offering

Highlights

- Alltype Engineering awarded contract for the erection and installation at Lynas Rare Earths Processing Facility in Kalgoorlie valued at ~A\$12 million.
- Major turnkey multidisciplinary project represents a significant milestone for Alltype Engineering, increasing its service offering to incorporate large rotating kiln installations.
- The scope includes SMP fabrication and construction works and E&I installation works with commissioning and performance testing assistance.
- Completion of \$3.5 million share Placement to assist funding working capital requirements for executing record orderbook of \$222 million.
- WestStar Industrial well positioned for FY2022, with strong order book and significant pipeline of new work identified.

Alltype Engineering Project Team Experience

- Key project delivery team has +40 years of rotary kiln and rotating equipment installation experience.
- Key team members for execution have been secured internally and externally, with core team established 12 months ago to pursue these opportunities.
- Workshop capacity and experience in place for offsite fabrication scope to support installation works.
- Personnel, equipment and workshop resources and timing are separate to the requirements of the recently announced Ambania Compressor Station project.

WestStar Industrial Limited (Company or WestStar) (ASX: WSI), an Australian industrial services company providing engineering, construction and mining services to the resources, energy and infrastructure sectors, is pleased to advise its engineering construction contracting business **Alltype Engineering** has been awarded a new major contract valued at circa \$12 Million by **Lynas Kalgoorlie Pty Ltd (Lynas)**.

This contract further bolsters and contributes to the WestStar FY2022 order book and aligns with Alltype Engineering's strategic plan to focus and deliver on major turnkey construction projects and provide a differentiated vertical service offering incorporating fabrication, SMP and E&I construction works. Alltype Engineering has a commitment to becoming a market leader in rotating equipment installation projects, supported by key personnel with over 40 years' experience in this unique field of expertise.

For Alltype Engineering, this contract is a result of the experience of its key execution team members in delivering rotary kiln projects successfully in the past with different organisations throughout the Australian resources and mineral processing industry. Alltype Engineering will commence preliminary work immediately with works planned to be completed by Q2, 2022.

Alltype Engineering Managing Director Kelvin Andrijich noted:

“During our FY21 strategic planning in 2020, we identified a niche market opportunity in the rotary kiln and rotating equipment installation space. It is very pleasing to see that the subsequent business case and execution of this strategy 12 months later has resulted in securing our first rotary kiln erection contract as part of the landmark Lynas Rare Earths Processing Facility development in Kalgoorlie.

“We are pleased that Lynas has recognised the experience and capability of our delivery team and the proven self-execution multidiscipline construction capability of Alltype Engineering in the gas, energy, petrochemical and minerals processing industries.

“Alltype Engineering has previously undertaken balance of plant scopes around rotary kilns on operational mineral sands and lithium processing sites in the past and we are excited to now be completing the entire turnkey package in addition to those works.”

Scope of Work

Lynas’ new Rare Earths Processing Facility in Kalgoorlie will treat rare earth concentrate from its Mt Weld mine to produce Rare Earth carbonate, which will be packaged and transported to Fremantle Port for export to the Lynas Malaysia advanced materials plant in Gebeng, Malaysia for further processing.

The scope awarded to Alltype Engineering encompasses the following:

- Erection of a six-meter diameter by 110 meter long, four pier kiln and all structural and mechanical drive ancillaries;
- Erection of discharge hood;
- Fabrication and installation of discharge end building;
- Fabrication and installation of dust chute from discharge end seal;
- Erection of burner management system and all ancillaries;
- Fabrication and installation of primary leach overflow rubber lined hopper;
- Installation of pumps, agitators, heat exchanger and all service piping; and
- Installation of all electrical and instrumentation works including cabling, infrastructure and instruments.

The project involves site establishment, remote area working conditions and logistics with a combination of local and FIFO workforce.

About Lynas Rare Earths

Lynas Rare Earths is the only scale producer of separated rare earths outside of China. The Lynas Mt Weld rare earths deposit near Laverton, Western Australia is acknowledged as one of the world’s premier Rare Earths deposits. Lynas also operates the world’s largest single rare earths processing plant in Malaysia.

Lynas’ rare earth oxides are mined and initially processed at the Mt Weld Concentration Plant and then shipped to the advanced materials plant in Gebeng, Malaysia, where the concentrate is separated and processed to produce high-quality rare earth materials.

Lynas Rare Earths are used in many high tech and future facing industries, including electronics, wind turbines, catalytic converters, and electric and hybrid motor vehicles. Lynas sits apart from other rare earth manufacturers by offering products with assured provenance from mine to finished product.

Corporate

The Company is pleased to also announce that it has received firm commitments from institutional and sophisticated investors for a Placement of \$3.5 million (before costs of the offer) through the issue of circa 152.2 million fully paid ordinary shares (Shares) at an issue price of 2.3c per Share (Placement). Placement participants will also receive one (1) free attaching unlisted Option (exercisable at \$0.03 expiring 18 months from issue) for every two (2) Shares subscribed (Placement Options) under the Placement. The Placement is not subject to shareholder approval and is expected to settle on Thursday 18 November 2021. Placement Shares are proposed to rank equally with the existing shares of the Company.

With the recent award of the Lynas Rare Earths kiln erection and installation Contract, WestStar has secured an orderbook of ~\$222 million for the 2022 Financial Year. This represents a record achievement for the Group and tendering pipeline for new project awards remains strong. The funds raised from the Placement will be used for general working capital as required by the Group.

The Company did not engage a Lead Manager to the Placement. The Placement is pursuant to Listing Rule 7.1 and Listing rule 7.1A. The issue price of the shares represents no less than 75% of the 15-trading day VWAP of the Company's shares.

WestStar also advises that it has agreed, subject to shareholder approval, to issue corporate advisory specialist Jindabyne Capital (or nominees) 30,000,000 unlisted options (Advisor Options). The Advisor Options will have an exercise price of \$0.03, expire 18 months from issue and will not be quoted. The mandate is for corporate advisory services to be provided over a period of 24 months. The Company confirms Jindabyne Capital is not a related party to the Company. Subject to shareholder approval, the Company expects to issue the options on or around 20 December 2021.

Outlook

WestStar Industrial, through its subsidiaries Alltype Engineering and SIMPEC, is well positioned for FY2022 with a secured orderbook of \$222 Million.

Tendering and proposals across the group remains strong, with a significant number of new tenders received and being worked on. Several of the submissions were for new and existing clients within the mining, resources, infrastructure, energy, and oil and gas sectors. The results of this increased activity and strategic tendering is now delivering positive outcomes for the business.

The Company looks forward to updating the market of its success with these opportunities as they are secured.

ASX release authorised by the Board of Directors of WestStar Industrial Limited.

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About WestStar

WestStar Industrial Limited (ASX: WSI) is an industrial, steel fabrication, installation and maintenance services company focussed on the resources, oil and gas, water and infrastructure sectors.

About SIMPEC

SIMPEC delivers high quality construction and engineering services with specialisation in structural mechanical and piping (SMP), electrical and instrumentation (E&I), concrete products and civil Services.

For more information: www.simpec.com.au

About Alltype

Engineering Alltype Engineering leverages off its fabrication capability and provides complete project solutions including SMP and E&I site installation, construction and maintenance services, across almost every industry in Australia. Alltype's products and services have been delivered and installed state-wide, nationally and internationally through our workshops and sites and can be found on land, offshore on islands, FPSO's and platforms, below ground and even subsea. Supported by its team of experienced multi-disciplinary project personnel, Alltype delivers consistent quality products and services that underpin its commitment to its vision "to be recognised as the preferred partner in delivering integrated fabrication, site and maintenance services with reliable, innovative and cost-effective solutions".

For more information: www.alltypeengineering.com.au