

AUSTRALIA'S NEXT RARE EARTHS PRODUCER



HASTINGS
Technology Metals Limited

CORPORATE PRESENTATION | 26 August 2022

Begin the Future

HASTINGS TECHNOLOGY METALS LIMITED | ASX : HAS

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Transaction Highlights

Definitive agreement to acquire a 22.1% stake in Neo Performance Materials to be funded by A\$150m investment from Wyloo Metals



Transaction overview

- Hastings Technology Metals Limited (“**HAS**”) has entered into a binding Share Purchase Agreement with an affiliate of Oaktree Capital Management, L.P. to acquire 8,974,127 shares in Neo Performance Materials, Inc. (“**Neo**”) for A\$150m¹
- Wyloo Metals will fund the acquisition by subscribing for A\$150m of Exchangeable Notes in HAS (“**the Notes**”)
- On completion, HAS will own 22.1% of the total issued capital of Neo and intends to seek representation on Neo’s board which is commensurate with its shareholding
- Acquisition of shares and issue of the Notes is subject to HAS shareholder approval in accordance with LR 7.1 and other customary conditions



Strategic rationale

- Neo is a leading producer of NdFeB magnets and rare earth materials globally, uniquely positioned as the owner of the only operating commercial rare earth separation and rare metals facility in Europe
- The acquisition provides a platform for HAS to explore potential partnership arrangements with Neo utilising Yangibana's MREC feedstock in Neo’s downstream rare earth operations
- The shares have been acquired at an attractive price of C\$15.00 per share, representing a:
 - 4.7% premium to Neo’s closing share price of C\$14.33 per share on Wednesday, 24 August 2022; and
 - 2.8% premium to Neo’s 10-day VWAP of C\$14.60 per share up to and including Wednesday, 24 August 2022
- HAS views the acquisition as the first step in its Hastings 2.0 strategy, to create a fully-integrated mine-to-magnet supply chain business



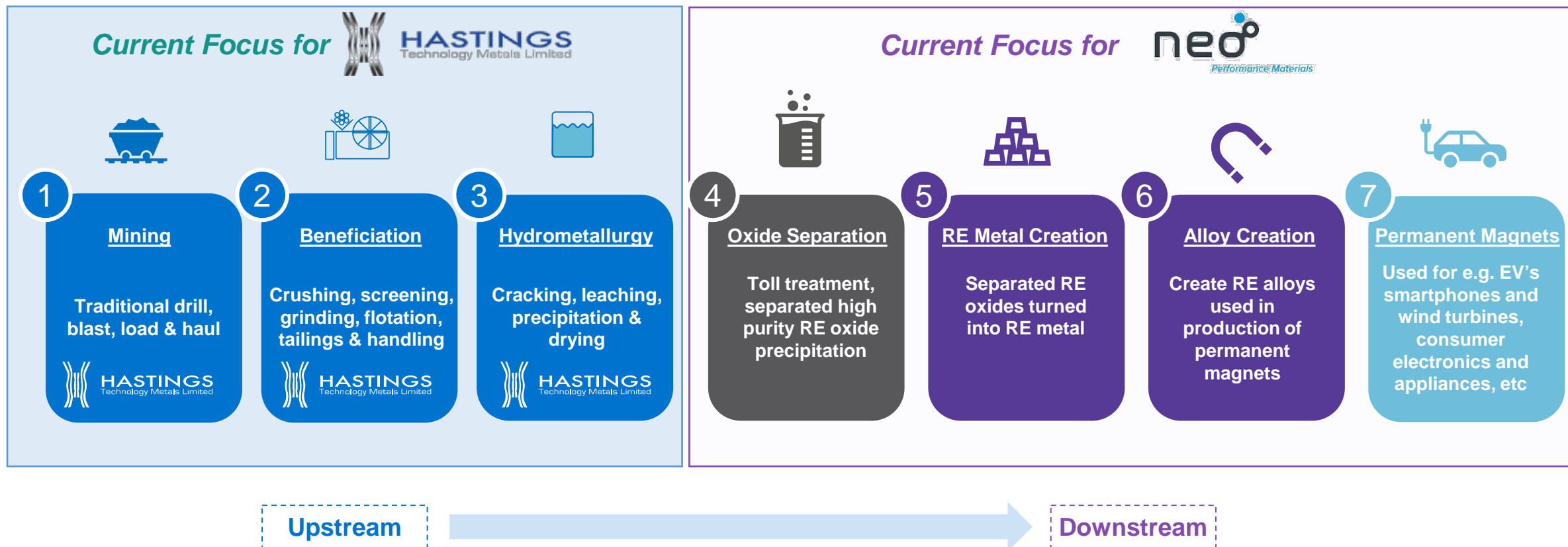
Wyloo investment

- Wyloo’s A\$150m investment underscores the strategic logic of the acquisition
- As a long-term investor focused on commodities critical to a low-carbon future, Wyloo shares HAS’ long-term strategic vision of establishing secure supply chains for critical products such as NdPr and NdFeB magnets, given their important role in the clean energy transition
- On completion, Wyloo will be entitled to appoint a member to the Hastings Board of Directors

Note: (1) C\$134.6m. (2) Includes broker coverage from Canaccord Genuity, Stifel Canada, Raymond James, Paradigm Capital, Cormark Securities and Scotiabank.

Mine-to-Magnet Value Chain

Hastings is focused on the delivery of the Yangibana Project spanning steps 1-3 (upstream). Neo's operations span steps 4-7 (downstream) of the mine-to-magnet supply chain



Strategic Purpose

Hastings sees the acquisition of the stake in Neo as an exciting first step in the Hastings 2.0 Strategy, to create a fully-integrated mine-to-magnet supply chain



Yangibana Rare Earths Project

Deliver Mixed Rare Earth Carbonate Product to global market



Yangibana Expansion 1

Accelerate newly discovered deposits proximal to plant infrastructure to increase mine life



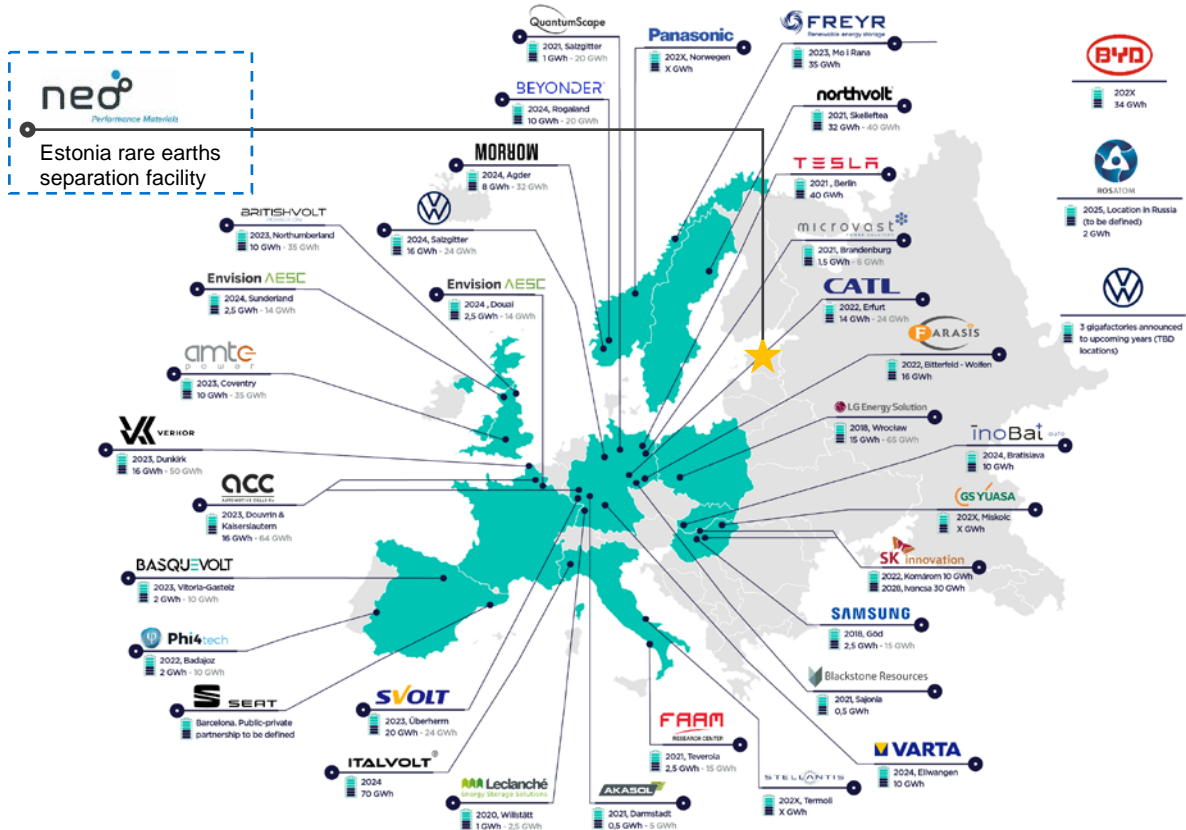
Hastings 2.0

Partner with downstream supply operators and expand down the mine-to-magnet supply chain

Europe to be a Key Market for EVs

Europe is expected to be a major hub for the production of EVs and therefore a key source of demand for NdFeB permanent magnets

European Gigafactories¹



“Volkswagen’s product portfolio is focused on electric mobility. The last purely combustion-driven platform will be developed in 2026. After that, only electric vehicles will be developed. ... Volkswagen is aiming to increase the proportion of unit sales accounted for by purely electric vehicles to at least 70 percent in Europe and to more than 50 percent in North America and China by 2030. In 2030, nine out of 14 Volkswagen models will be purely electric vehicles”

– Volkswagen Website, On The Way to Zero – The General Strategy

“We have a focus on becoming a pure electric mobility brand by 2030, which is in line with our purpose. Expansion in Europe, our largest sales region, is crucial to our shift to electrification and continued growth”

– Jim Rowan, CEO of Volvo Cars

“The EU has committed to the goal of becoming climate neutral by 2050. The raw materials needs to facilitate this energy transition are massive, and Europe urgently needs to secure their supply. This Action Plan outlines the steps we must take to ensure that the rare earth elements upon which the EU Green Deal relies remain available for European industry and society”

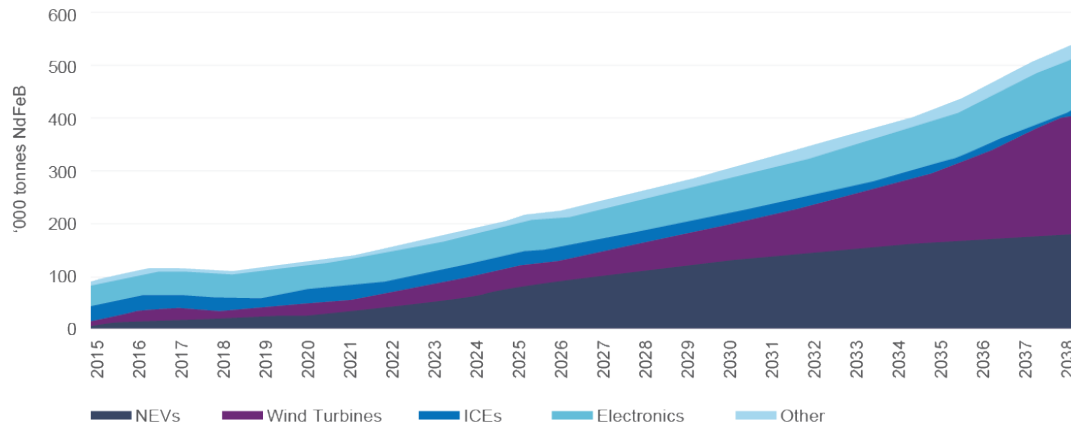
– Bernd Schäfer, CEO of EIT RawMaterials – the Innovation Community which manages the European Raw Materials Alliance

Note: (1) CIC EnergiGUNE analysis as of February 2022.

Global Supply Deficit Approaching Reality

Market for NdPr will be in deficit over coming decade, largely due to strong demand growth for NdFeB permanent magnets

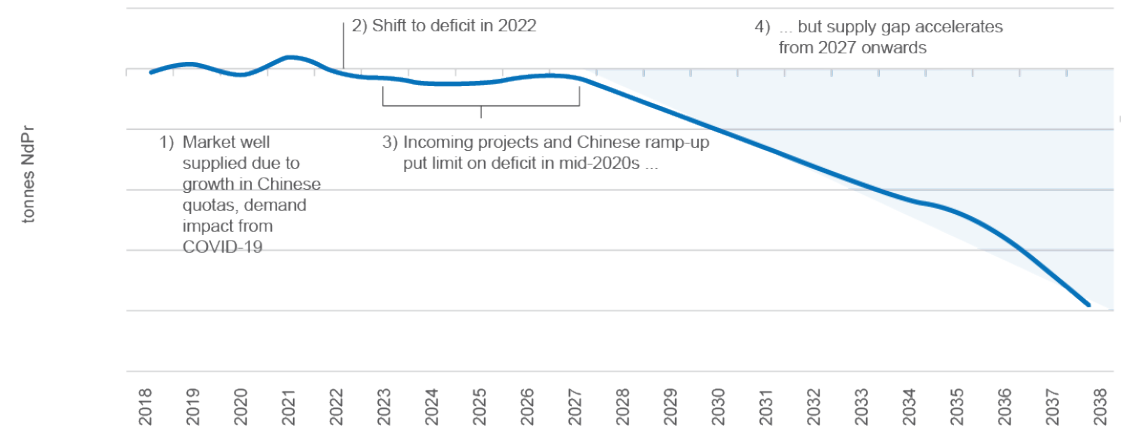
NdFeB projected demand



Global NdFeB demand expected to increase 3.9x over the period 2021- 2038 (CAGR 8.3%)

Source: Rare Earths Market Outlook, CRU International Ltd, August 2021
ICE = Internal combustion engine

NdPr market imbalance



Sizeable supply gap emerges in later part of this decade due to time lag in new mine investment

Yangibana expected to supply 6-8% of global NdPr requirements when it comes online

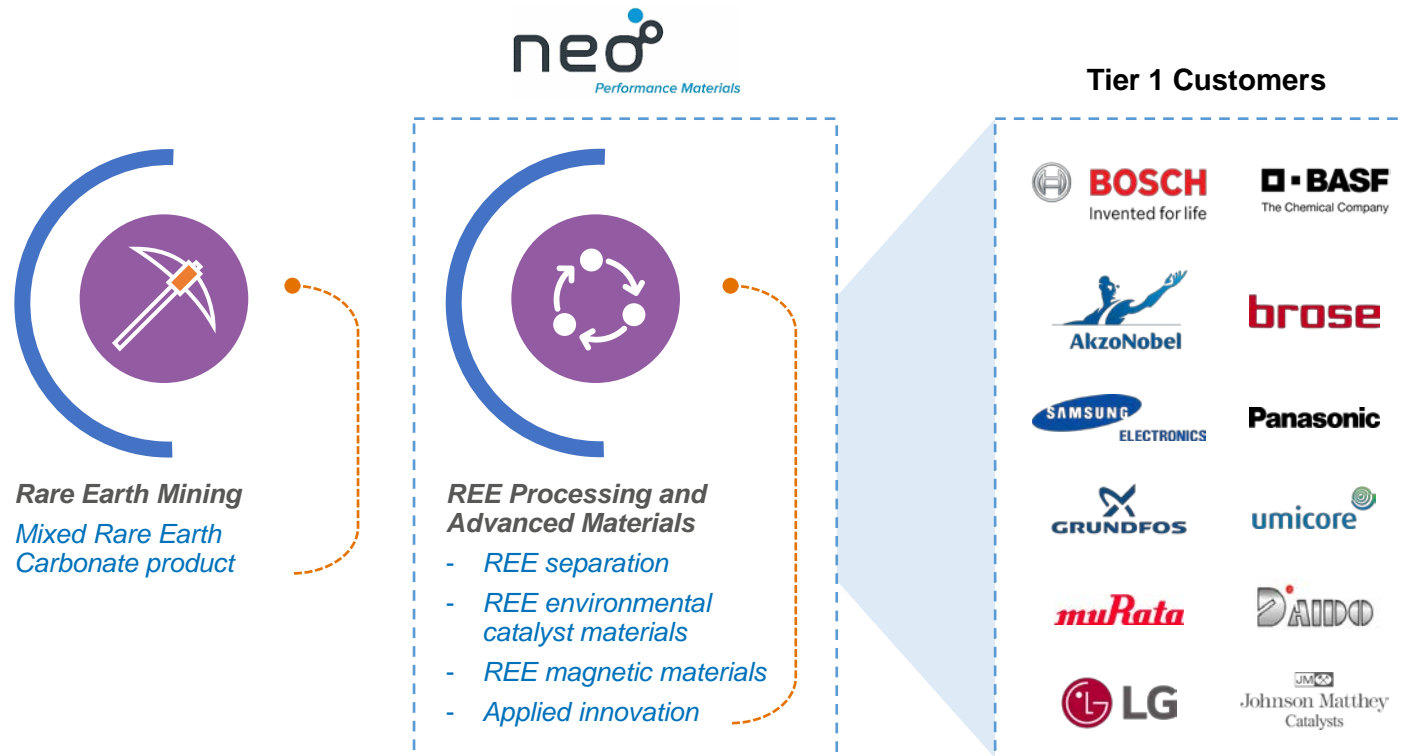
(Yangibana = 3.750 Kt p.a./ Market Demand 58.0 Kt p.a. (source CRU Jan 2021))

Source: CRU

Corporate Overview - neo^o

Performance Materials

Neo manufactures advanced materials, including magnets, that incorporate rare earth and rare metal elements



Corporate snapshot (24 August 2022) TSX: NEO

Market Cap.

C\$583m

Share price (\$/s)

C\$14.33

52-week high: **C\$22.74**

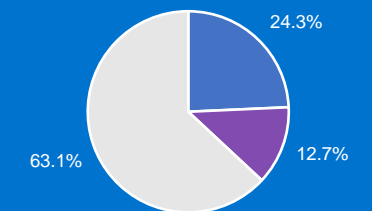
52-week low: **C\$10.64**

Shares on issue

40.7m

~0.8% held by Board and Executive Leadership Team

Major shareholders



Legend: ■ Oaktree ■ Mawer Investment Management ■ Other

Net cash / (debt)¹

US\$49.7m

Source: FactSet, Neo Performance Materials Q2 2022 Financial Statements, Neo Performance Materials Q1 2022 Investor Presentation

1. As at 30 June 2022, includes cash and cash equivalents (~US\$66.2m), bank advances and other short-term debt (~US\$11.9m), current portion of long-term debt (~US\$0.7m) and long-term debt (~US\$3.8m)

Business Units Overview - **neo**^o

Performance Materials

Neo is organised into three operating business segments (in addition to a corporate segment) which have collectively generated revenue of US\$608m over the last twelve months

LTM revenue: US\$223m
(revenue share 37%)^{1,2}

Chemicals & Oxides

- Advanced materials that enable key functionality and sustainability in multiple applications
- Top 3 global producer** of materials for environmental emission catalysts

Environmental Catalysts



Precursors for permanent magnet powders and magnets



Water Purification



Multi-Layer Ceramic Capacitors



LTM revenue: US\$283m
(revenue share 47%)¹

Magnequench

- NdFeB powders and magnets for motors and sensors across multiple applications
- #1 market leader** of powders for bonded and hot deformed magnets

High Efficiency Pumps & Motors



Residential Appliances



ICE / Hybrid / Electric Vehicles



Industrial Automation



LTM revenue: US\$102m
(revenue share 17%)¹

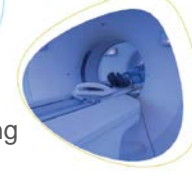
Rare Metals

- Rare metals and compounds used in superalloys, electronics, communications, LED lighting and medical markets
- Top 3 global producer** of tantalum for superalloys

Aerospace Applications



Medical Imaging Systems



Mobile Communications



LED Lighting

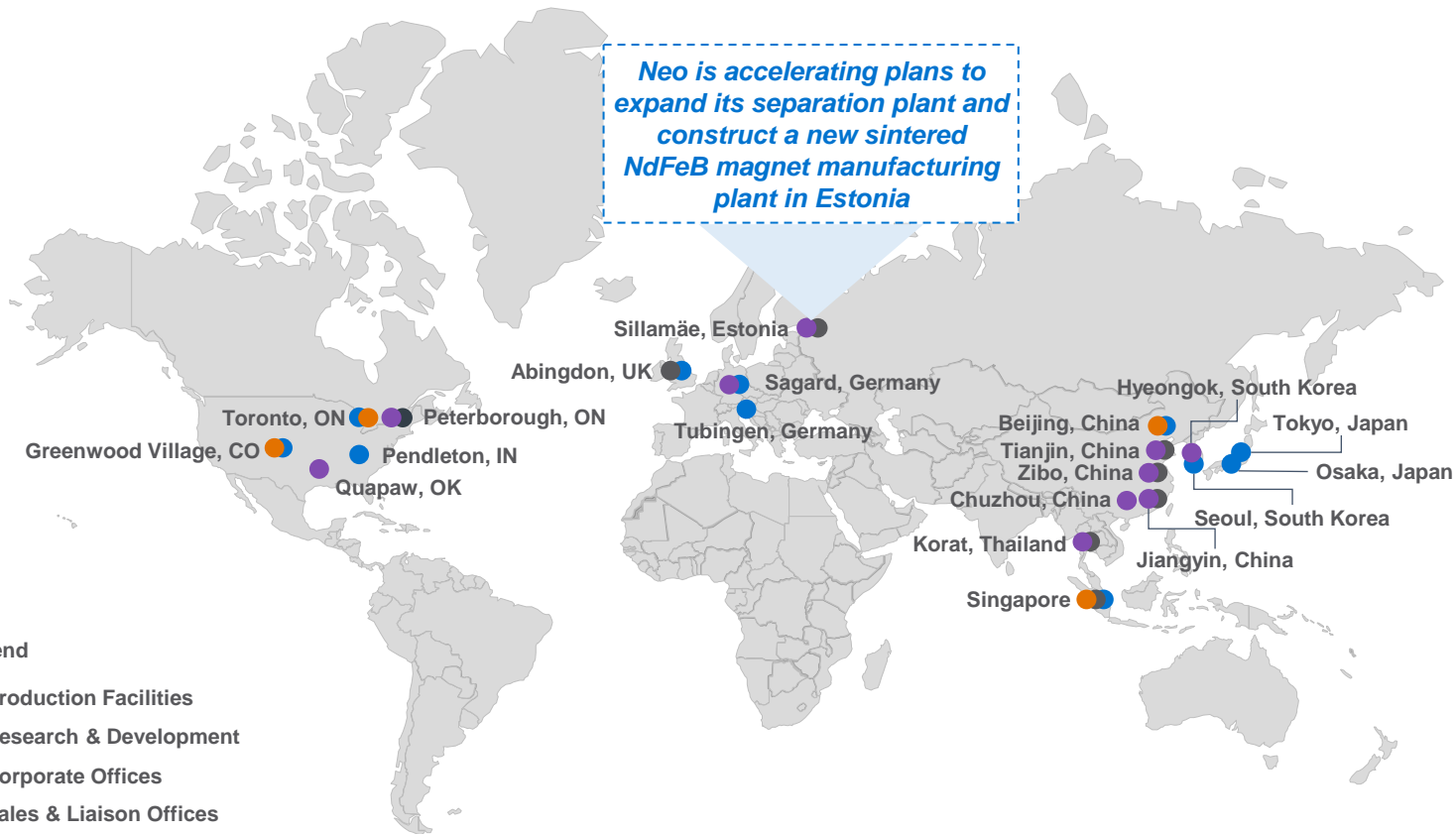


Source: Neo Performance Materials Q2 2021, Q4 2021 and Q2 2022 Financial Statements, Neo Performance Materials Q1 2022 Investor Presentation
Notes: (1) LTM revenue calculated as of 30 June 2022. (2) Chemicals & oxides shown exclusive of inter-segment revenue.

Global Operating Footprint - neo^o

Performance Materials

Neo owns **the only** commercial rare earth separation and rare metals facility in Europe



Source: Neo Performance Materials Q1 2022 Investor Presentation
 Note: (1) Joint venture operation in which Neo has a minority interest.

REE Separation

- Sillamäe, Estonia
- Zibo, China
- Jiangyin, China

REE Metal Production

- Rayong, Thailand¹
- Jiangxi Province, China¹

REE Alloy + Magnetic Powders

- Korat, Thailand
- Tianjin, China

REE Magnets

- Tianjin, China
- Chuzhou, China

REE Environmental Catalyst Materials

- Sillamäe, Estonia
- Zibo, China

LED / Electronic specialties

- Hyeongok, South Korea
- Quapaw, Oklahoma, US

Rare Metals Refining / Recycling

- Sillamäe, Estonia
- Sagard, Germany
- Peterborough, Ontario, CAN



Historical Financial Performance - neo^o

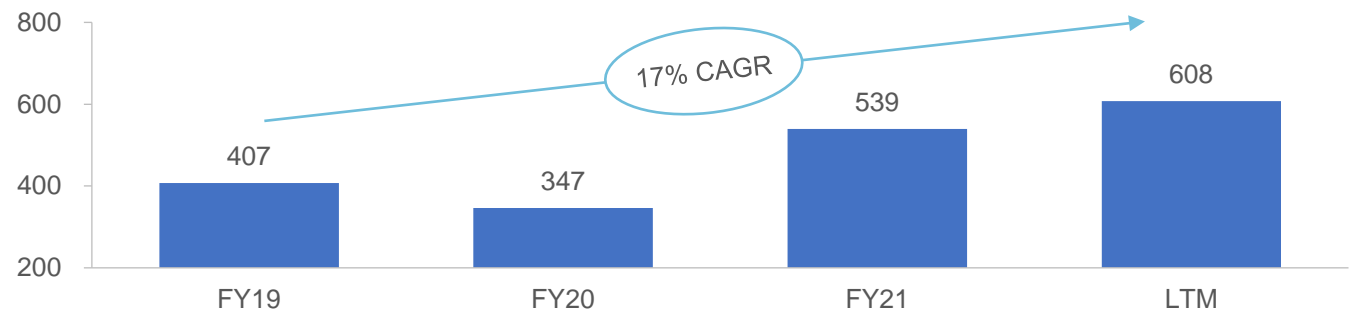
Performance Materials

Neo has delivered strong growth in earnings and returned US\$48m in dividends to shareholders since FY19

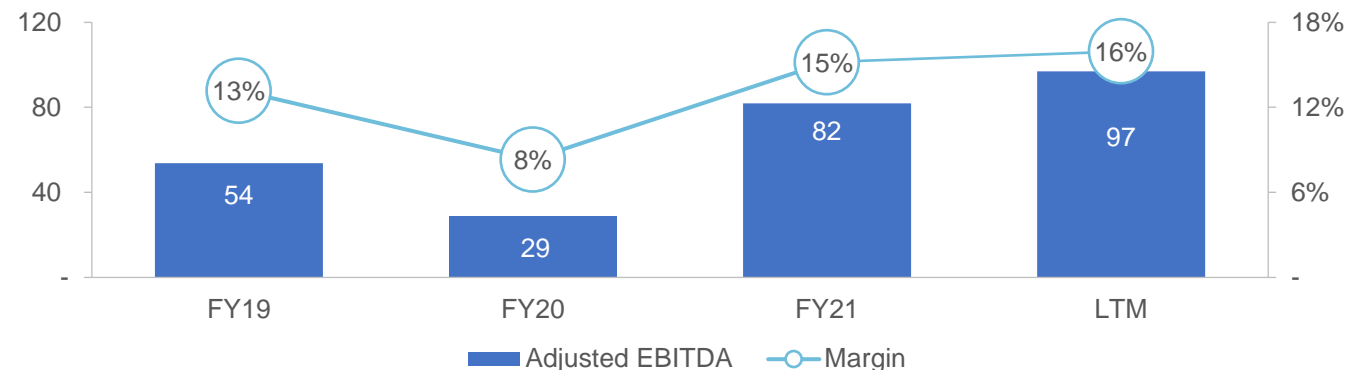
Q2 FY22 Commentary¹

- Record revenue, net income and adjusted EBITDA for the six months ended 30 June 2022 since re-emerging as a public company in 2017
- Key Q2 highlights:
 - Revenue of US\$168.2m, higher by 24.5% YoY
 - Operating income of US\$21.0m, higher by 15.2% YoY
 - Adjusted EBITDA of US\$26.5m, higher by 19.3% YoY
 - Adjusted net income of US\$15.9m, or US\$0.39/share
 - Quarterly dividend of C\$0.10/share

Annual Revenue (US\$m)^{1,2}



Adjusted EBITDA (US\$m) and Margin (%)^{1,2}



Source: Neo Performance Materials Q2 2021, Q4 2021 and Q2 2022 Financial Statements, Neo Performance Materials Q1 2022 Investor Presentation
 Note: (1) Neo's financial year completes on a 31 December basis. (2) LTM revenue and Adj. EBITDA calculated as of 30 June 2022.

Transaction Funding - Exchangeable Notes

The acquisition of the Neo stake will be funded by Wyloo subscribing for A\$150m exchangeable notes

Overview of Wyloo Metals

- Wyloo Metals is a privately-owned metals company with a focus on investing in the critical mineral supply chain
- Led by a multidisciplinary team of geologists, engineers and financial professionals, Wyloo manages a diverse portfolio of exploration and development projects and cornerstone interests in a number of public companies
- Wyloo has a long-term investment mandate and is focused on producing commodities that support the transition to a low-carbon future

EGM for HAS shareholder approval to vote on the Exchangeable Notes is slated for early October 2022

Key Terms

Term	<ul style="list-style-type: none"> • 3 years
Face Value	<ul style="list-style-type: none"> • A\$150m
Coupon	<ul style="list-style-type: none"> • Annual coupons at a rate equal to BBSY + 9% • Quarterly payments • Payable in kind through the issue of additional Notes, subject to cash election mechanics
Exchange Rights	<ul style="list-style-type: none"> • Exchangeable at the option of Wyloo at any time after 60 days from the issue date into fully paid ordinary shares in Hastings
Exchange Price	<ul style="list-style-type: none"> • Fixed price of A\$5.50 per HAS share (subject to customary anti-dilution adjustments) • 29.7% premium to HAS' closing share price of A\$4.24 per share on Wednesday, 24 August 2022
Redemption Rights	<ul style="list-style-type: none"> • Redeemable by the Issuer after 2 years in certain circumstances, including where Hastings share price is greater than 130% of the Exchange Price
Security and Status	<ul style="list-style-type: none"> • Security over the Neo shareholding • Guaranteed by HAS on a subordinated basis, ranking behind any current or future debt obligations related to the funding of the Yangibana project
Conditions	<ul style="list-style-type: none"> • Subject to executing long-form transaction documents and the satisfaction of key conditions precedent: <ul style="list-style-type: none"> – HAS shareholder approval – Customary regulatory approvals from ASIC and ASX – Other customary matters including no events of default and no material adverse effect
Board Representation Rights	<ul style="list-style-type: none"> • Wyloo entitled to nominate a director to the Board of HAS subject to an equity interest greater than 12.5%

Source: FactSet

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Enabling Green Technologies

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