



ASX Announcement

6 September 2022

Hastings Launches A\$100 Million Two-Tranche Placement and A\$10 Million SPP

Highlights

- Hastings launches A\$100 million two-tranche Placement. Tranche 1 of the Placement is set to raise approximately A\$67 million and tranche two of the Placement, which is subject to shareholder approval, is set to raise approximately A\$33 million.
- Upon settlement of both tranches of the Placement, Hastings will have a strong cash balance of ~A\$237 million (before costs).
- Placement funds will be used to advance the development of the Yangibana Rare Earths Project which remains on track for commissioning in 2024.
- Non-underwritten SPP for eligible existing shareholders to raise up to A\$10 million (before costs) at the same price as the Placement (A\$4.40 per share).

Australia's next rare earths producer Hastings Technology Metals Ltd (ASX: HAS) ("**Hastings**" or the "**Company**") is pleased to announce that it has launched a A\$100 million two-tranche placement for the issue of approximately 22.7 million new fully paid ordinary shares ("**New Shares**") at an offer price of A\$4.40 per New Share ("**Placement**"). The Placement comprises an underwritten Institutional Placement for A\$90 million (before costs), with A\$10 million to be raised under a non-underwritten Chairman's List. Tranche one of the Placement is set to raise approximately A\$67 million and tranche two of the Placement, which is subject to shareholder approval, is set to raise approximately A\$33 million. In addition to the Placement, the Company will also be undertaking a non-underwritten Share Purchase Plan ("**SPP**") at the same price as the Placement, to raise up to A\$10 million. The Placement and SPP will raise total gross proceeds of up to A\$110 million ("**Offer**").

Hastings' Executive Chairman, Charles Lew, commented: "*Hastings is delighted to announce the underwritten Institutional Placement, which strengthens the Company's balance sheet and places it in a strong position to finalise project financing for Yangibana as it approaches plant commissioning by 2024. The Placement demonstrates support for Yangibana as a world-class project and represents an endorsement of our development strategy. Additionally, it provides further validation of market support for Hastings' recently announced proposed strategic investment in Neo Performance Materials and longer-term aspirations of becoming a fully integrated mine-to-magnet producer.*"

“We are also pleased to offer our existing eligible shareholders the opportunity to participate in this equity raising via the SPP. I would also like to take this opportunity to thank existing shareholders for their continued support and look forward to welcoming all new investors to the Hastings register.”

The Company intends to use the proceeds from the Offer for the following purposes:

1. Process plant capex at Yangibana and Onslow
 - Procurement of additional processing equipment for operation in the beneficiation plant at Yangibana and hydrometallurgy plant at Onslow
 - Commencement of construction
2. Early work development costs
 - Continuation of early works and infrastructure activities at Yangibana
 - Commencement of site establishment, geotechnical and early-works infrastructure activities at Onslow
3. Project services costs
 - Engineering support
 - Process plant design for Yangibana and Onslow
 - External consultants
4. Working capital and the Offer costs
 - Working capital requirements
 - Offer costs, including Joint Lead Manager fees and legal fees

Placement Details

New Shares under the Placement will be issued in two tranches:

- Tranche one: the Company will issue approximately 15.2 million New Shares at an Offer price of A\$4.40 per New Share, raising a total of A\$67 million before costs (“**Tranche One Placement**”).
- Tranche two: subject to shareholder approval, the Company proposes to issue approximately 7.5 million New Shares at an Offer price of A\$4.40 per New Share, raising a total of A\$33 million before costs (“**Tranche Two Placement**”).

The Offer price of A\$4.40 per New Share represents a 18.8% discount to the closing price of A\$5.42 per share on Friday, 2 September 2022 and a 12.3% discount to the 10-day volume weighted average price of A\$5.02 per share up to and including Friday, 2 September 2022.

New Shares under the Tranche One Placement will be issued within the Company’s existing placement capacity in accordance with ASX Listing Rule 7.1. Settlement of the Tranche One Placement is expected to occur on Monday, 12 September 2022, with New Shares expected to be allotted on Tuesday, 13 September 2022.

Completion of the Tranche Two Placement is subject to shareholder approval, which will be sought at an Extraordinary General Meeting expected to be held on Monday, 10 October 2022. Pending shareholder approval, settlement of the Tranche Two Placement is expected to occur on Thursday, 13 October 2022, with New Shares expected to be allotted on Friday, 14 October 2022.

The Placement is expected to result in the issue of 22.7 million New Shares, representing approximately 22.4% of Hastings' existing shares on issue. New Shares issued under the Placement will rank equally with existing fully paid ordinary shares of the Company.

Barrenjoey Markets Pty Limited and Canaccord Genuity are acting as Joint Lead Managers and Underwriters to the A\$90m Institutional Placement (the "**Joint Lead Managers**"). King & Wood Mallesons are acting as Australian legal adviser.

The Company has entered into an underwriting agreement with the Joint Lead Managers, pursuant to which the Joint Lead Managers have agreed to underwrite the Placement (excluding the Chairman's List), subject to certain conditions precedent and termination events customary for an underwriting agreement of this nature.

Further details of the Placement are set out in the Company's investor presentation lodged with ASX today. The investor presentation contains important information including key risks of investing in Hastings, underwriting risk and foreign selling restrictions with respect to the Placement.

SPP Details

In addition to the Placement, the Company will offer eligible existing shareholders with a registered address in Australia or New Zealand who were holders of Hastings shares at 7:00pm (AEST) on Monday, 5 September 2022 (the "**Record Date**"), the opportunity to apply for new Hastings shares via a non-underwritten SPP without incurring brokerage fees. The Company may raise up to A\$10 million under the SPP at the same price as the Placement (A\$4.40 per share).

Eligible existing shareholders will have the opportunity to apply for up to A\$30,000 worth of New Shares. The New Shares issued under the SPP will rank equally with existing ordinary shares of the Company.

As the SPP is not underwritten, the SPP may raise less than A\$10 million. If the Company receives applications for more than A\$10 million, the Company may decide in its absolute discretion to accept applications that result in the SPP raising more than A\$10 million. The Company also retains the right to scale back applications (in whole or in part) at its absolute discretion, for example because the aggregate amount applied for under the SPP exceeds the Company's requirements.

Any scale back will be applied to the extent and in the manner Hastings sees fit, which may include taking into account a number of factors such as the size of an applicant's shareholding at the Record Date for the SPP, the extent to which the applicant has sold or purchased shares since the Record Date, whether the applicant may

have multiple registered holdings, the date on which the application was made, and the total applications received from eligible Shareholders.

Further information in relation to the SPP, including the terms and conditions, is expected to be made available to eligible shareholders in the coming days, together with the SPP Offer Booklet. Eligible existing shareholders should review the SPP terms and conditions in full before deciding whether or not to participate in the SPP.

Under the ASX listing rules, Hastings directors are entitled to participate in the Placement, subject to shareholder approval, and are permitted to participate fully in the SPP if they are Australian / New Zealand residents.

Indicative Timetable

| Event | Date |
|---|--------------------------------------|
| Trading halt | Monday, 5 September 2022 |
| Record date for eligibility to participate in SPP | 7:00pm AEST Monday, 5 September 2022 |
| Launch of Offer and Investor Presentation | Tuesday, 6 September 2022 |
| Announce completion of Placement and trading halt lifted | Wednesday, 7 September 2022 |
| Settlement of New Shares under Tranche 1 of the Placement | Monday, 12 September 2022 |
| Allotment, quotation and trading of New Shares under Tranche 1 | Tuesday, 13 September 2022 |
| SPP Offer open date | Wednesday, 14 September 2022 |
| EGM to ratify issue of Tranche 1 Shares and approve issue of Shares under Tranche 2 | Monday, 10 October 2022 |
| SPP closing date | Wednesday, 12 October 2022 |
| Settlement of New Shares under Tranche 2 of the Placement | Thursday, 13 October 2022 |
| Allotment, quotation and trading of New Shares under Tranche 2 | Friday, 14 October 2022 |
| Announcement of SPP Participation Results | Friday, 14 October 2022 |
| Allotment of SPP shares | Wednesday, 19 October 2022 |

The above timetable is indicative only and subject to change without notice to, or consultation with, you. The Company reserves the right to amend any or all of these dates at its absolute discretion, subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and any other applicable laws. The quotation of the New Shares is subject to approval from the ASX. The Company reserves the right to withdraw the Placement (or any part of it) or the SPP without notice to you.

This announcement has been approved by the Board for release to the ASX.

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About Hastings Technology Metals Limited

Hastings Technology Metals Limited (ASX: HAS) its global head office in Perth, Western Australia is a rare earths company primed to become the world's next producer of a mixed rare earths carbonate containing high amounts of neodymium and praseodymium (NdPr). Nd and Pr are vital components used to manufacture permanent magnets used in advanced technology products ranging from electric vehicles to wind turbines, robotics, medical applications, digital devices, etc.

Hastings' flagship Yangibana Rare Earths project, located in the Upper Gascoyne region of Western Australia, is one of the richest known localities containing NdPr with an NdPr:TREO ratio of up to 52%. The site is permitted for long-life production and with offtake contracts signed and debt finance at an advanced stage. Construction is currently scheduled to continue until H2 2024.

Hastings also owns and operates the Brockman project, Australia's largest heavy rare earths deposit, near Halls Creek in the Kimberley.

For further information on the Company and its projects visit www.hastingstechmetals.com

IMPORTANT INFORMATION

Future performance and forward-looking statements

This announcement contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are considered reasonable. Such forward-looking statements are not a guarantee of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and management.

No representation or warranty, express or implied, is made by the Company, or any of its directors, officers, employees, advisers or agents that any intentions, expectations or plans will be achieved either totally or partially and there can be no assurance that the transactions contemplated in this announcement will be completed. Investors are strongly cautioned not to place undue reliance on forward-looking statements. The directors have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by law or the ASX listing rules.

Not for distribution or release in the United States

This announcement has been prepared for publication in Australia and may not be released in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the US Securities Act and applicable US state securities laws.

General

In addition, this announcement is subject to the same “Important Notices and Disclaimer” as appears on slides 2, 3 and 4 of the Investor Presentation released on the same date as this announcement, with any necessary contextual changes.