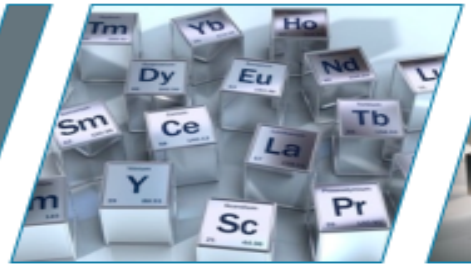

Yangibana Project – Begin the Future

HASTINGS
Technology Metals Limited

Investor Presentation
March 2019

Disclaimer

All currency amounts are in A$ unless stated otherwise.

Disclaimer

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Forward Looking Statements

This presentation 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, advisers 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.

Exploration Targets

The terms "Target" or "Exploration Target" where used in this presentation should not be misunderstood or misconstrued as an estimate of a Mineral Resource as defined in this context. Exploration Targets are conceptual in nature, there has been insufficient exploration to define a Mineral Resource and it is uncertain further exploration will result in the determination of a Mineral Resource.

Competent Persons' Statement

The information in this presentation that relates to Resources is based on information compiled by Lynn Widenbar. Mr Widenbar is a consultant to the Company and a member of the Australasian Institute of Mining and Metallurgy. The information in this presentation that relates to Exploration Results is based on information compiled by Andy Border, an employee of the Company and a member of the Australasian Institute of Mining and Metallurgy.

Each has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this announcement and DFS 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"). Each consent to the inclusion in this announcement and DFS of the matters based on his information in the form and context in which it appears.

The information in this presentation that relates to the Fraser's and Bald Hill Ore Reserve is based on information reviewed or work undertaken by Mr Frank Blanchfield, FAusIMM, and an employee of Snowden Mining Industry Consultants. Mr Blanchfield has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the preparation of mining studies to qualify as a Competent Person as defined by the JORC Code 2012. Mr Blanchfield consents to the inclusion in this announcement and DFS of the matters based on his information in the form and context in which it appears.

The scientific and technical information in this presentation that relates to process metallurgy is based on information reviewed by Mr Dale Harrison MAusIMM, who is a metallurgical consultant and employee of Wave International. Mr Harrison has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined by the JORC Code 2012. Mr Harrison consents to the inclusion in this announcement and DFS of the matters based on his information in the form and context in which it appears.

US disclosure

This document does not constitute any part of any offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of any "US person" as defined in Regulation S under the US Securities Act of 1993 ("Securities Act"). The Company's shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to any US person without being so registered or pursuant to an exemption from registration including an exemption for qualified institutional buyers.

Yangibana Development History

HASTINGS Technology Metals Limited

PROJECT MILESTONES

- **Mar 14** Exploration commenced
- **Nov 14** Successful Beneficiation Results
- **Mar 15** Scoping Study completed
- **May 16** PFS completed & DFS Commenced
- **May 17** Metallurgical Pilot Plant Test completed
- **Aug to Sept 2017** 3 Chinese Offtake MOUs signed
- **Nov 17** Native Title agreement signed
- **Nov 17** DFS completed
- **Feb 2018** Thyssenkrupp Offtake MOU signed
- **Oct 18** ERD advertised with 1 general public comment
- **Nov 18** Skyrock Baotou offtake contract signed
- **Feb 19** Successful 2nd pilot plant test
- **Mar 19** Capex Revised to A$427mil

2014 2015 2016 2017 2018 2019

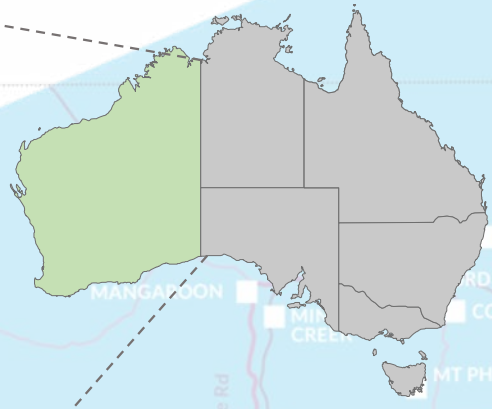
RESERVE & RESOURCE UPGRADES

- **Sep 14** 6.8 MT JORC Resource
- **Nov 15** 12.4 MT JORC Resource
- **Jan 17** 13.4 MT JORC Resource
- **Oct 17** 20.7 MT JORC Resource
- **Nov 17** 5.2 MT JORC Reserves
- **May 18** Earth works & Accom Camp Construction
- **Aug18** JORC Reserves increased to 7.7MT
- **Nov 18** Total Resource increased to 21.7MT
- **Feb 19** Reserves increased to 10.35MT

Investment Attraction – Why Hastings?

- Highest NdPr content at 41% of TREO
- CAGR of 9% for NdPr due to expected strong demand from EV sales
- NPV A$447m : IRR 28% : Payback 2.6 years
- Average Annual Free Cash Flow ~A$137m
- EIA report completed, progressing on to final permitting and approvals
- German Offtake – Contract drafting with Thyssenkrupp, negotiations with other T1s
- Boatou SkyRock – contract signed for 2,500T a year for 5 years
- KFW Bank – strong support for UFK concessionary project finance loan
- Production start 2Q 2021

Site Overview



Resources and Reserves

Ore Resources	Tonnes (Mt)	TREO %	$Nd_2O_3+Pr_6O_{11}$ %
Measured	4,727,000	1.17	0.42
Indicated	8,652,000	1.24	0.41
Inferred	8,294,000	1.09	0.36
TOTAL	*21,673,000*	*1.17*	*0.39*

Ore Reserves	Tonnes (Mt)	TREO %	$Nd_2O_3+Pr_6O_{11}$%
Probable	*10,345,000*	*1.22*	*0.43*

Final Product	MREC (tpa)	TREO %	$Nd_2O_3+Pr_6O_{11}$%
	~15,000	*>58.00*	*20**
		Recovery	*~ 76%*

* 34.2% is average ratio of **$Nd_2O_3+Pr_6O_{11}$** for LOM, the **$Nd_2O_3+Pr_6O_{11}$** ratio is 40% to 42% for the first five years production.

Yangibana Advantage – Highest Nd-Pr ratio

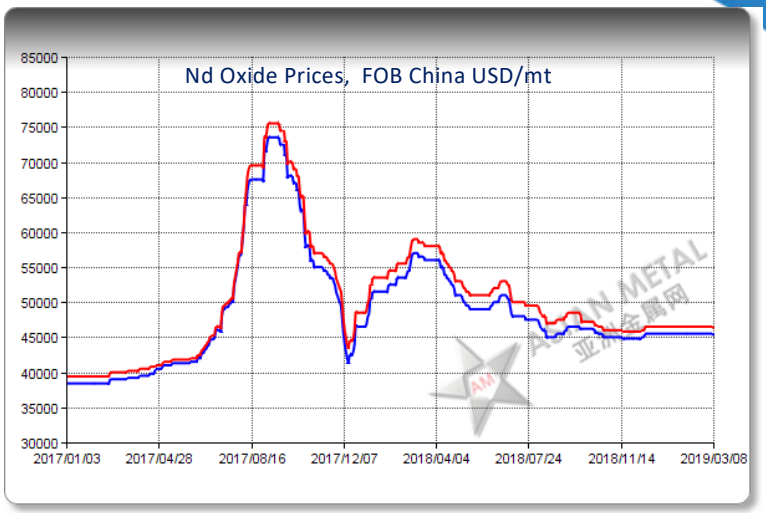
Comparison of REO Distribution & Basket Value Between Hastings and Major Light RE Producers						
RE Oxide/TREO	Unit	Hastings	China		Outside of China	
			Baotou	Sichuan	Mt Weld	Mountain Pass
Lanthanum	%	9.99	25.94	36.50	25.16	33.22
Cerium	%	39.59	50.69	47.90	46.36	49.10
Praseodymium	%	8.01	5.15	4.10	5.38	4.30
Neodymium	%	33.80	15.90	10.00	18.79	12.00
Samarium	%	3.88	1.21	0.70	2.27	0.80
Europium	%	0.84	0.22	0.08	0.47	0.12
Gadolinium	%	1.80	0.39	0.23	0.85	0.17
Terbium	%	0.15	0.05	0.04	0.06	0.04
Dysprosium	%	0.50	0.11	0.06	0.16	0.07
Yttrium	%	1.14	0.25	0.31	0.45	0.10
Other	%	0.29	0.10	0.08	0.05	0.09
Economic Value Factor		1.90	1.00	0.73	1.14	0.81
Basket Price USD/kg		25.00	13.25	9.65	15.05	10.75

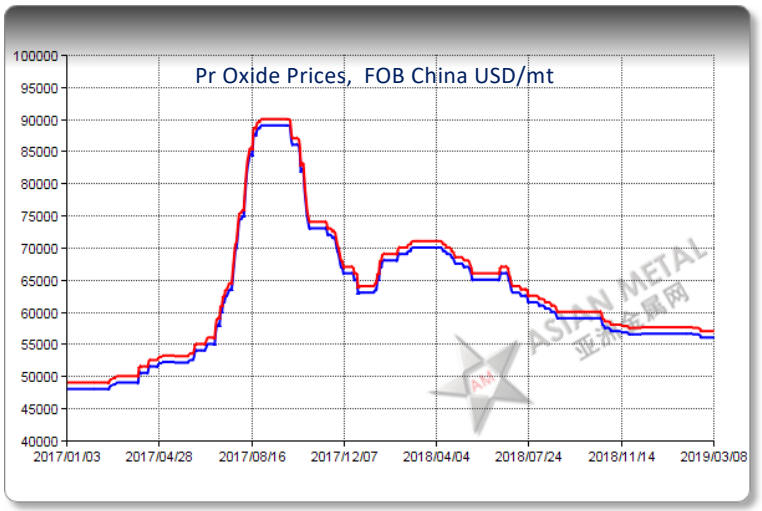
- Nd-Pr /TREO composition is validated by customers in the MREC
- Economic Value Factor calculated on individual % of REE in the ore body x REO prices
- Yangibana: high Nd-Pr content of 41%
- Last 12 mths avg basket price - USD25.00

Spot Prices of Rare Earth Oxides (6 Mar 2019)

China F.o.B. Export prices 06-03-2019 (USD/kg) & YTD change			
Lanthanum oxide	La2O3	$ 2.0	0 %
Cerium oxide	CeO2	$ 2.0	0 %
Praseodymium oxide	**Pr6O11**	**$ 57.00**	**- 1 %**
Neodymium oxide	**Nd2O3**	**$ 46.50**	**0 %**
Dysprosium oxide	**Dy2O3**	**$ 183.00**	**+ 3 %**
Terbium oxide	**Tb4O7**	**$ 438.00**	**+ 1 %**
Samarium oxide	Sm2O3	$ 1.92	- 3 %
Europium oxide	Eu2O3	$ 39.80	0 %
Erbium oxide	Er2O3	$ 23.00	0 %
Holmium oxide	Ho2O3	$ 44.00	- 9 %
Lutetium oxide	Lu2O3	$ 619.00	0 %
Yttrium oxide	Y2O3	$ 2.80	0 %

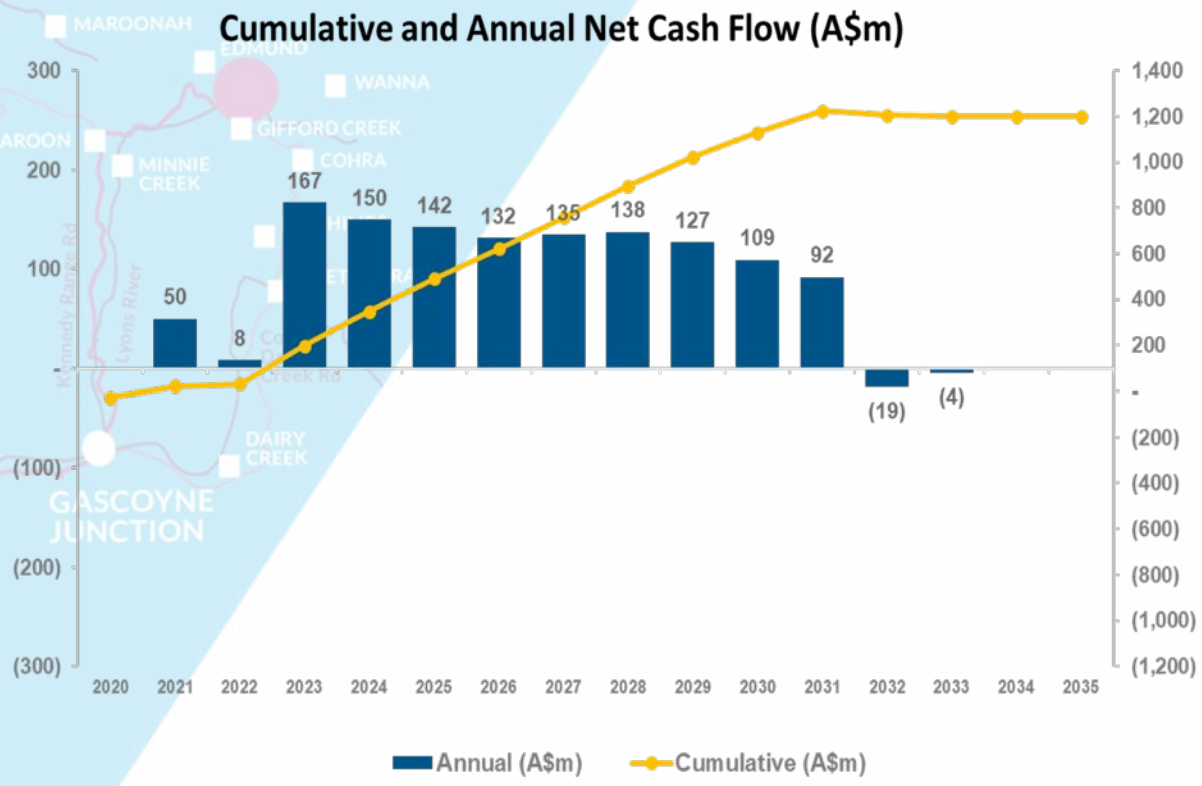
Source: ASIAN METAL 06 Mar 2018





Site Overview

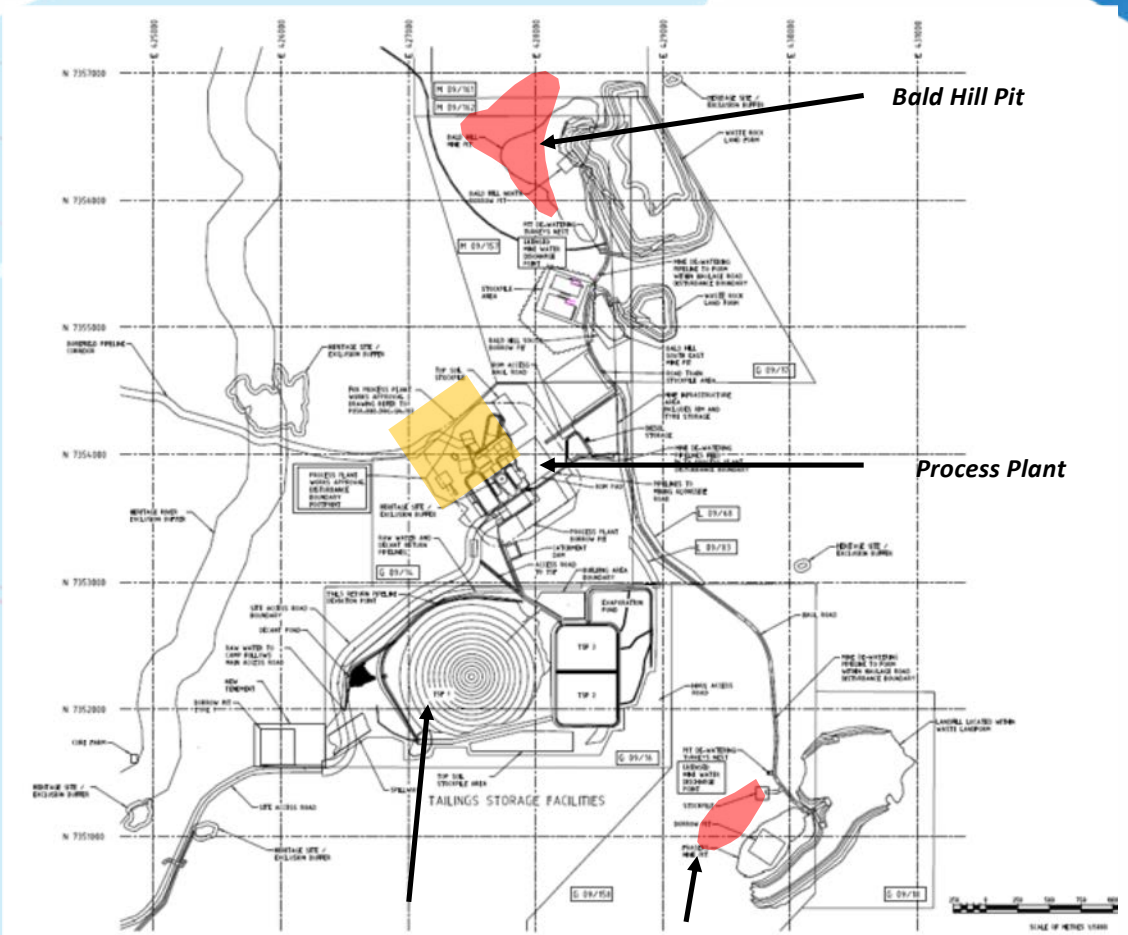
Location	***200kms north of Gascoyne Junction***
Mining Method	***Open Pit***
Minerals	***Rare Earths***
Mineralisation Type	***Iron stone***
Plant Capacity	***1.0 Mtpa***
Process method	***SAG Mill flotation front end Kiln – Hydromet back end***
Overall Recovery	***~ 76%***
Ore Resources	***21.67Mt @ 1.17% TREO for 254kt TREO***
Ore Reserves	***10.35Mt @ 1.23% TREO for 127kt TREO***
Workforce	***250-300 (FIFO)***



Mine Economics

Net Present Value	***$447 million***
Internal Rate of Return	***28%***
Project Payback	***2.6 years***
Capital cost	***$427 million***
Average annual free cash flow (pre tax)	***$ 137 million***
Mining Production	***1.0 Mtpa***
Mine Life	***11 years***
Annual (MREC) production	***~15,000 tpa***
Annual (TREO) production	***~8,500 tpa***
Average (Nd Pr) production*	****3,400 tpa***
LOM C1 cost	***~ $17.71 / kg TREO***
Commissioning Date	***Q1 2021***

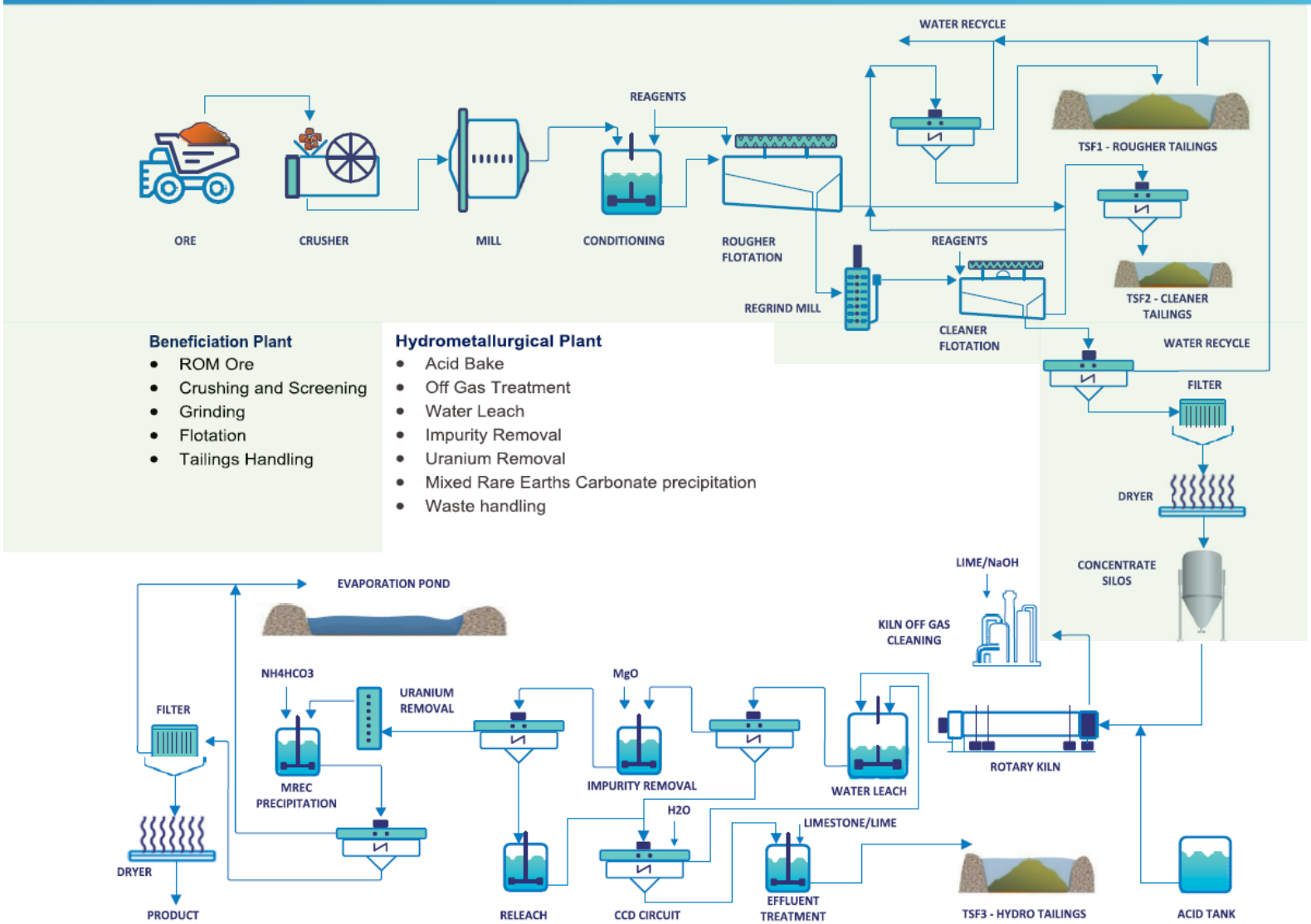
*First 5 years production



Pre-Production Capex: A$413m - Breakdown

Revised Capex		427
less: Sunk costs (to 31 Jan 2019)		(14)
Pre Production Capital Costs		**413**
Process Equipment Upgrades		**42.0**
Hydromet & Gas Scrubber area	23.0	
Piping	6.0	
Flotation	5.0	
First fill reagents	3.0	
Crushing & Grinding	5.0	
Tailings Storage Facility		1.3
Camp size increased from 240 to 380 beds		3.0
Increase in Mining pre-stripping		2.7
Services (water/earthworks/plant control)		13.0
Spares & First Fills		1.6
Indirects (labour/consultants)		**42.0**
Others		9.0
Costs savings:		
Airstrip/powerstation/gas pipeline/others		**(23.4)**

Final Process Flowsheet



Beneficiation Plant
- ROM Ore
- Crushing and Screening
- Grinding
- Flotation
- Tailings Handling

Hydrometallurgical Plant
- Acid Bake
- Off Gas Treatment
- Water Leach
- Impurity Removal
- Uranium Removal
- Mixed Rare Earths Carbonate precipitation
- Waste handling

Beneficiation:
- Standard monazite flotation
- Proprietary fatty acid collector is in use

Hydromet:
- Well known and reliable hydrometallurgical processes.

Mixed Rare Earth Carbonate (MREC):
- Annual production of 15K tonnes
- Customer takes title FOB WA port of loading
- Separation into TREO oxides by third party

Beneficiation Pilot Plant Testwork

- 2 times beneficiation and continuous pilot plant testing has successfully validated the simple and effective flowsheet of Yangibana flotation process
- The second pilot plant operation achieved 80% TREO recovery improved from 70% of first pilot plant operation.
- Clear indication of progress from bench scale to commercial production.
- Successfully generated bulk samples for downstream engineering equipment design test work

Capex improvements since DFS

Project Capital Costs
Improved economics/flow sheet

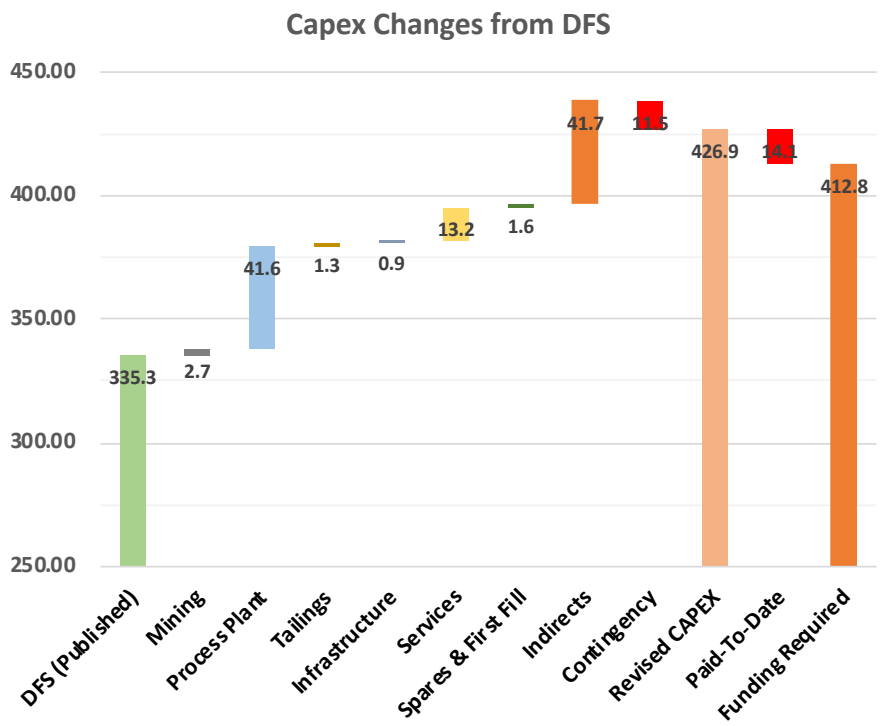
Power station
- Gas pipeline and power station outsourced

Crushing
- No mobile crushing
- 24hr Live stockpile and re-feed

Process Plant
- Optimised footprint
- Reduce traffic interactions
- Improved materials handling
- Installation of concentrate silos

Ore sorting
- 50% rejection of mass upfront

TSF
- Better & more manageable design



Update on Major Activities

Phase One
Enabling Infrastructure
Apr 2019 – Q3 2019

- Installation of the accommodation camp
- Airstrip upgrade
- Camp completion
- Continuing development of the site access roads
- Finalising design work
- Ordering of long lead time items
- Offsite fabrication of plant
- Approval of full EPA permits, (which will enable phase 2)

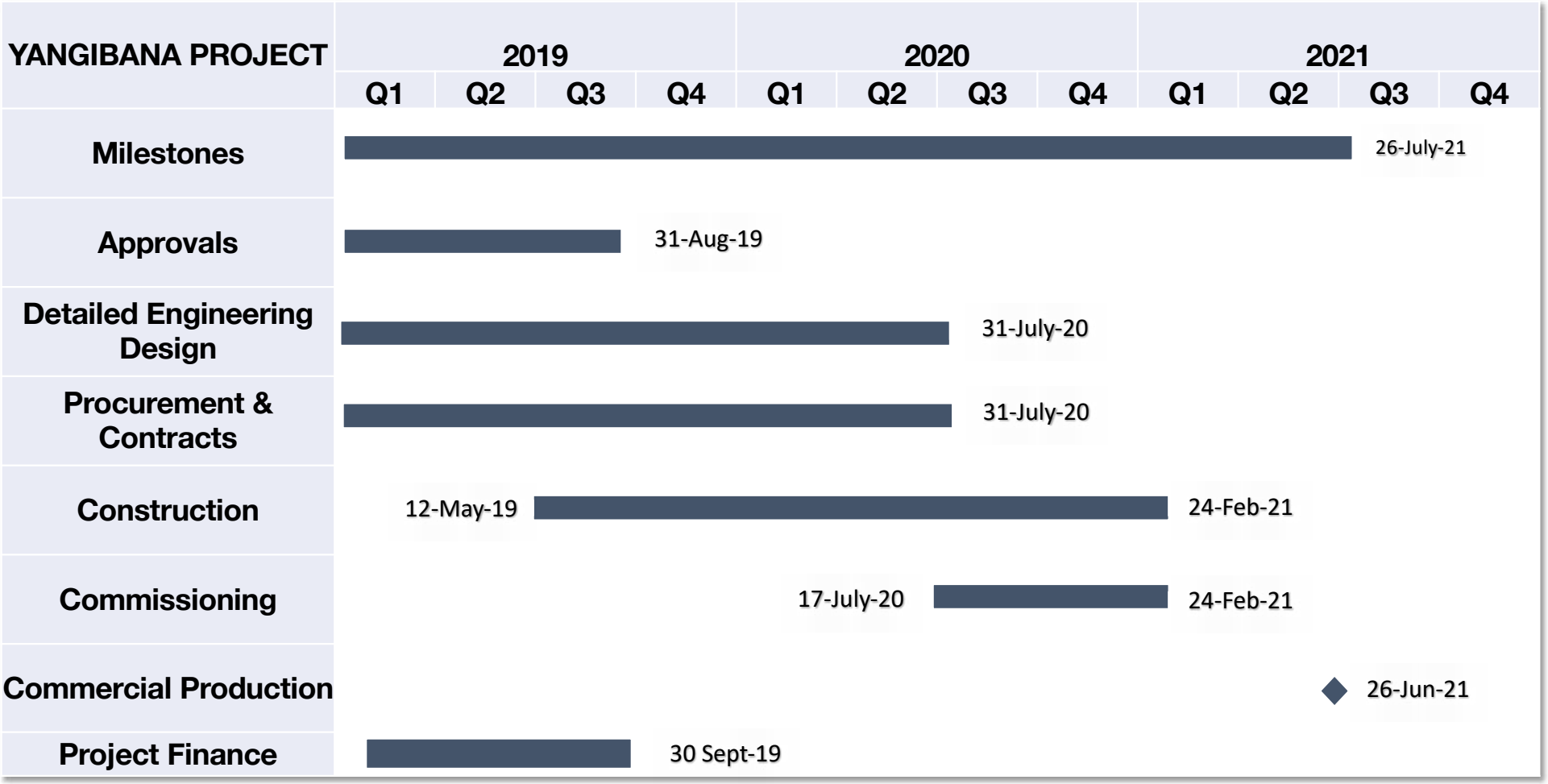
Phase Two
Mine Construction
Q3 2019 – Q1 2021

- Process plant
- Open pit pre-stripping
- Tailings Storage Facility
- Communications Network
- Gas pipeline + power station
- Admin offices

Cost certainty has increased with 54% of total pre-production capital in lump sum and civils earthworks contracts near finalisation with experienced supply partners:

- Outotec – SAG, Flotation
- FLSmidth - Kiln
- TAPC/Tialoc - Scrubber
- Metso – regrind mill

Project Timeline



Global Demand Growth for Permanent Magnets

CAGR 2017 – 2022: ~ 9%

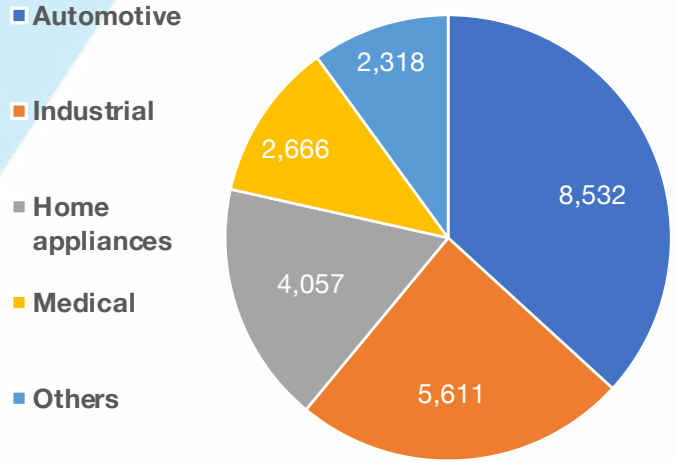
Application	2016 USDm	2017 USDm	2022 USDm	CAGR% 2017–2022
Consumer electronics	**1,933.9**	**2,090.8**	**3,078.0**	**8.0**
Electric motors	**1,888.9**	**2,074.6**	**3,287.3**	**9.6**
Sonic equipment, magnetic sensors, actuators and transducers	1,131.8	1,228.5	1,846.8	8.5
Medical devices	951.9	1,025.1	1,514.4	8.1
Generators	914.5	984.4	1,514.4	9.0
Others	674.7	732.2	1,071.0	7.9
TOTAL	**7,495.7**	**8,135.6**	**12,311.9**	**8.7**

NdFeB magnets offer the best power to cost ratio

Materials	Average Price ($/lb.)	Average Max. Energy Product (MGOe)	$/MGOe
Hard Ferrite	2.0	3.5	N/A
NdFeB	**75.0**	**30.0**	**2.3**
Samarium-Cobalt	162.0	22.0	7.4
AlNiCo	27.0	8.0	3.4

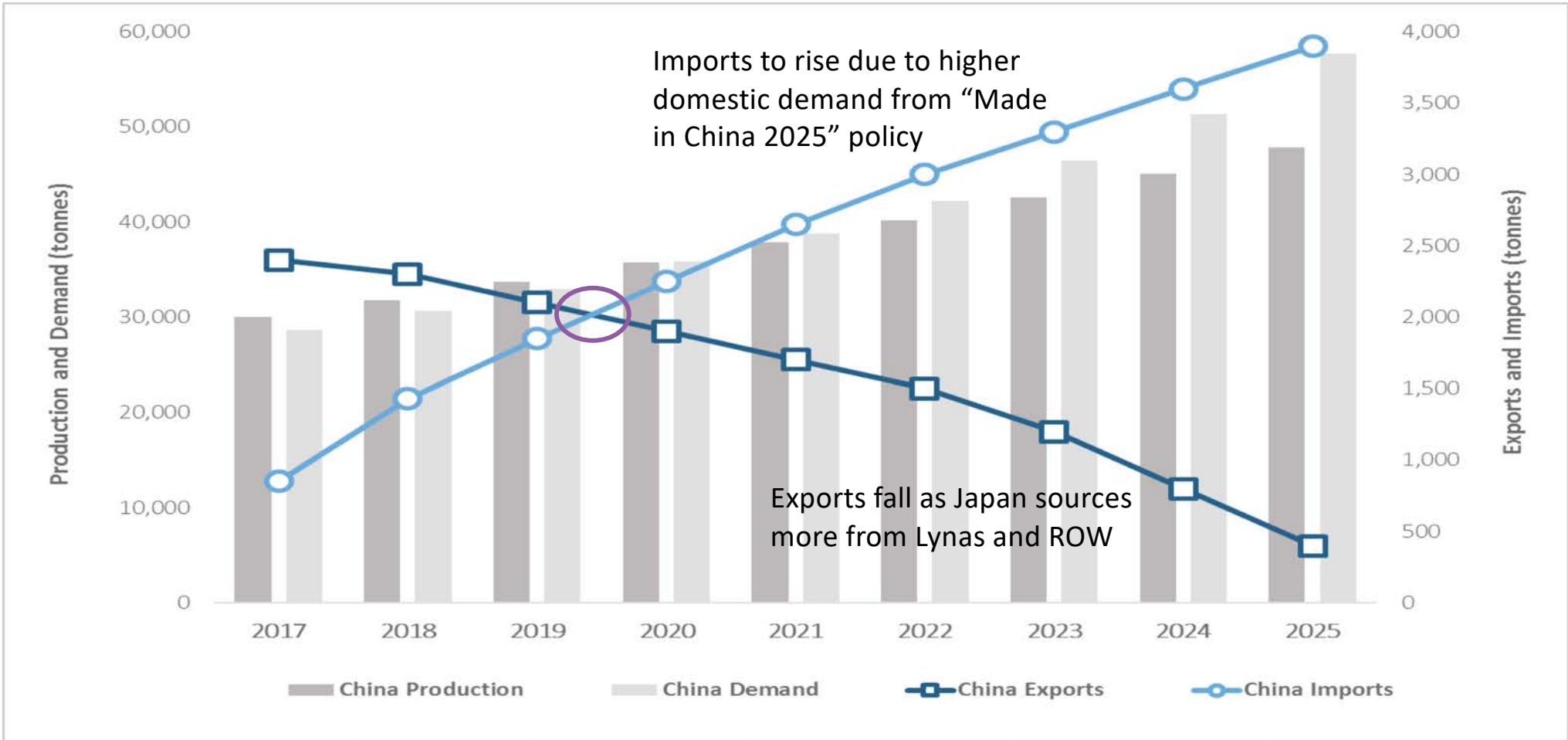
Source: BCC Research: Magnets and Magnet Materials: Global Markets Oct 2017.

Global Market for Permanent Magnets - by Industry 2022 (USDm)



Global Nd-Pr Oxide Supply Demand 2017 - 2025

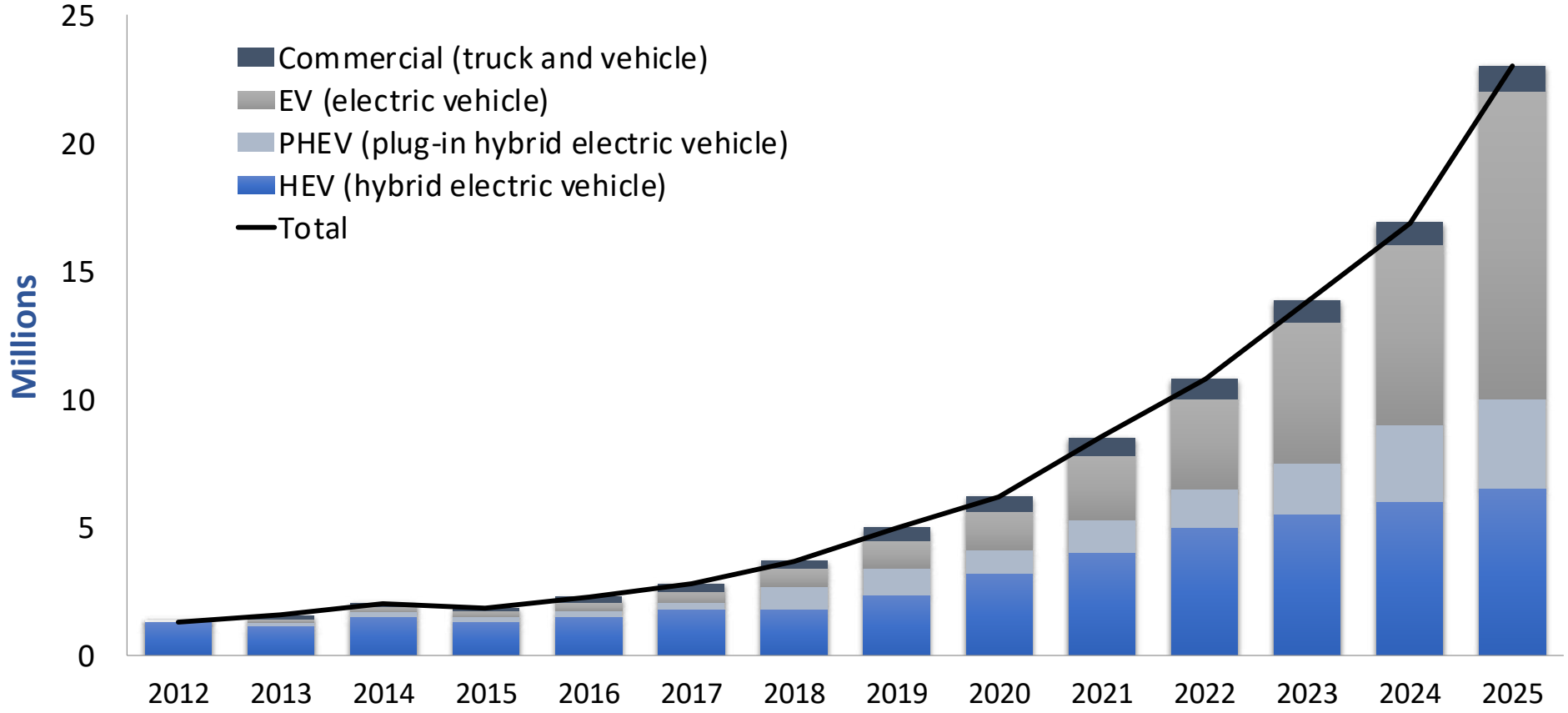
Possible shortage - crossover point in 2020



Source: Adamas Intelligence 14th International Rare Earth Conference, Nov 2017

EV - Catalyst for NdPr Demand

Expected Growth of Electric Vehicle Sales Worldwide



Source: Roskill & UBS Estimates

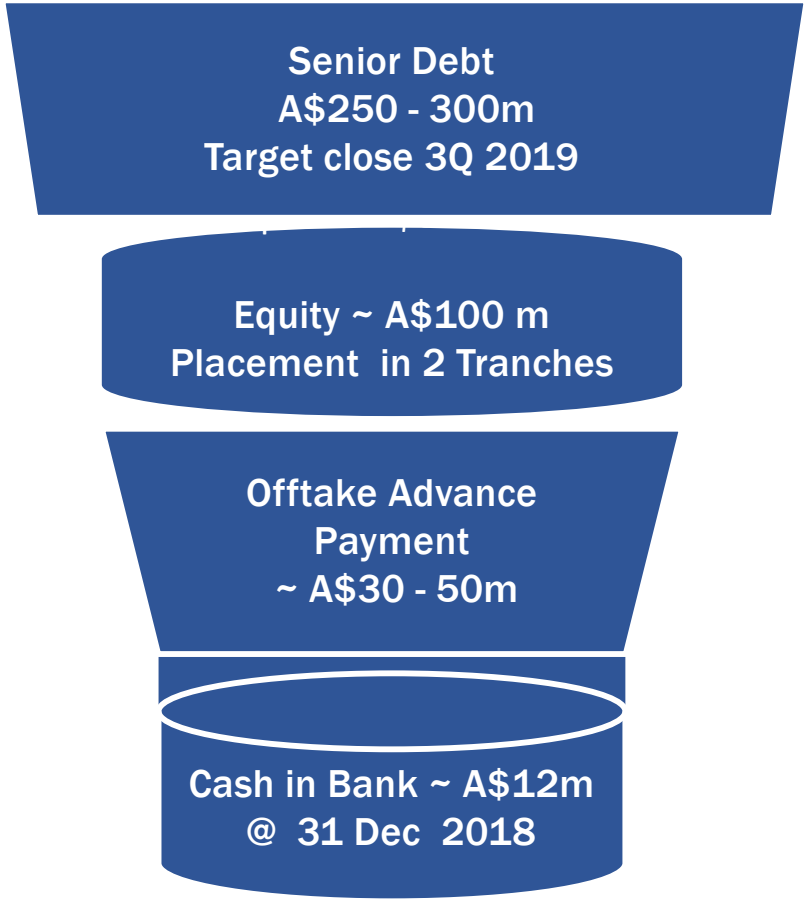
Financial Highlights

Description	Unit	
LOM Basket Price (avg)	US$ / kg	37
Life of mine	years	11
Project NPV (post-tax)	**A$M**	**447**
IRR	%	28%
Payback period	years	2.6
LOM Net Revenue	A$M	3,849
LOM Opex	A$M	1,900
Project Capex	A$M	427
Pre-production Capex	A$M	413
Avg Annual Free Cash Flow (pre tax)	**A$M p.a.**	**137**
LOM Free Cash Flow	A$M	1,502
LOM EBITDA	A$M	1,949
EBITDA margin	**%**	**50%**

- Pre Production Capex – A$413m
- NPV of A$447m and IRR of 28% exceeds hurdle rate
- Payback period - 2.6 years
- Avg Annual Free Cash Flow (pre-tax) A$137m
- Significant potential mine life upside as total tenement area is 650sqkm

Funding Plan : 65% Debt / 35% Equity

KfW Bank advising on UFK loan application (concessionary interest rates)

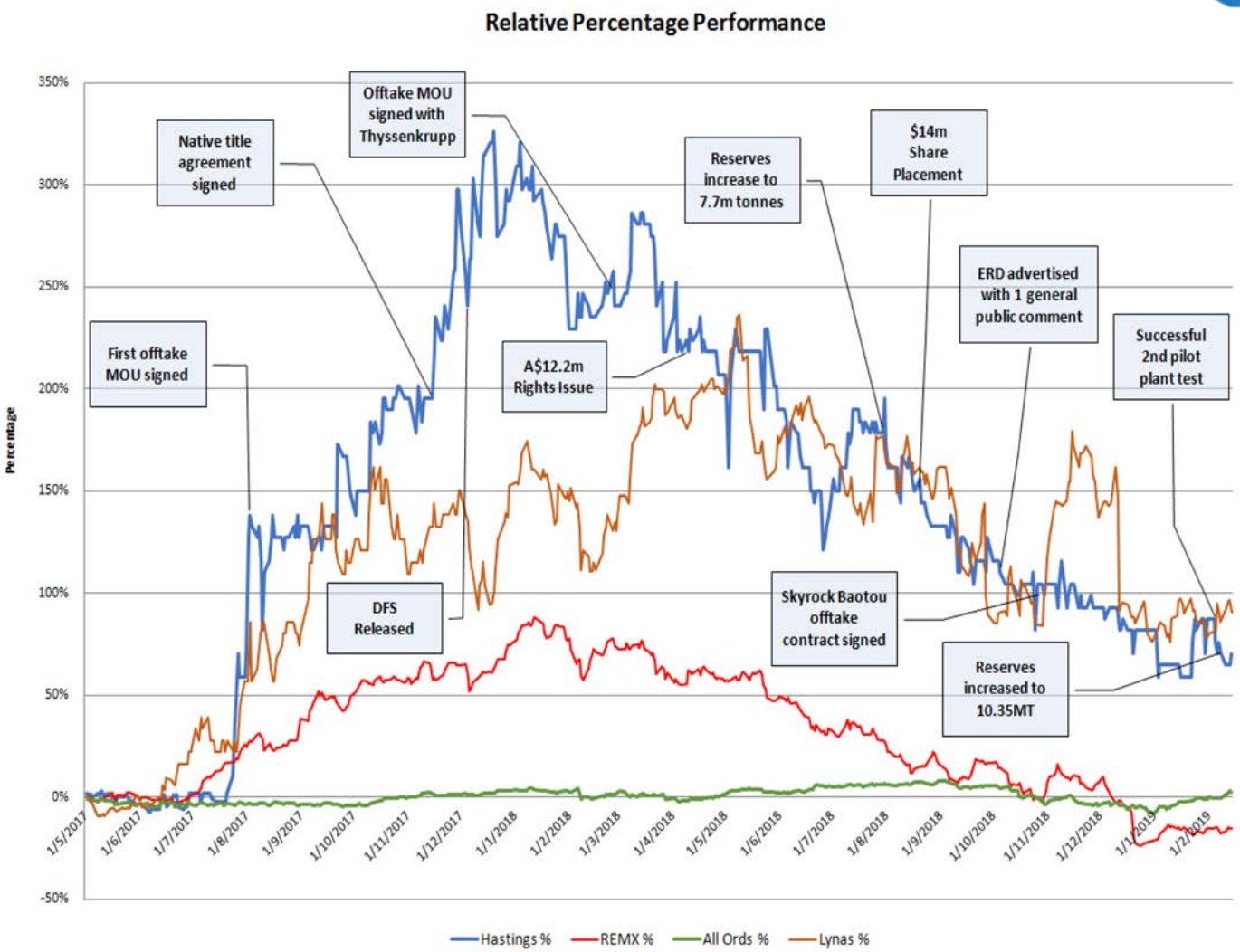


- Proposed Structure:
  - ✓ Senior Debt (7 years/10 years) ~ $250 - 300M
  - ✓ Equity ~ $100 -150M
  - ✓ Offtake – Advance Payment ~ $50m
- KFW advancing on application to Euler Hermes for UFK scheme (German government loan guarantee) which offers concessionary interest rates (compliant with **Equator Principles**)
- Multiple discussions with German T1 Offtake customers for long term contract as part of UFK loan application
- SPV for infrastructure loan – due diligence underway with Australian government funded agency
- Planned equity capital raising – March and Sept prior to close of debt financing (expected 3Q 2019)
- Possibility of Advance Payment by Offtakers

Hastings Equity Statistics (HAS:ASX)

Steady growth in market cap since Jan 2017

- Market Cap ~ **A$150m**
- ~ 1250 Shareholders
- Top 10 shareholders (Malaysians) owns ~ 70%
- **A$75m** raised since 2014
- **Cash: A$12m** as reported on 31st Dec 2018
- **No Debt**
- Included in the **ASX All Ordinaries Index**



Board of Directors

Neil Hackett

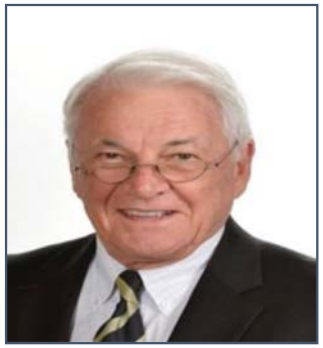
Non Executive Director & Company Secretary

- Corporate Finance and Regulatory Experience ASIC 1990-1999
- 10 years investment and funds management experience
- 15+ years ASX Director, Company Secretary and Senior Executive mining and industrial experience
- Independent Corporate Governance Advisor and AICD Facilitator

Charles Lew

Executive Chairman

- Corporate Finance Director HG Asia Securities 1990 - 1997
- MD of ABN Amro Investment Bank Singapore 1997 - 2000
- Independent Director of RHB Banking Group 2004 - 2016
- 30+ years experience in investment banking in London (HSBC & Robert Fleming) and in Singapore
- Private investor and entrepreneur in F&B, real estate, financial services, etc



Mal Randall

Non Executive Director

- Bachelor of Applied Chemistry & Fellow AICD.
- 45+ years extensive experience in corporate, management and marketing in the resources sector including 25+ years with the Rio Tinto group of companies.
- Experience as Chairman or NED level in a diverse range of commodities including Lithium, Base Metals, Potash, Iron Ore, Uranium and Mineral Sands

Jean Claude Steinmetz

Non-Exec. Director & Commercial Director (PT)

- Previously Chief Operating Officer for Lynas Corporation
- 25+ years Involved in the chemical industry with Rhodia and General Electric
- Chairman of the Auto Plastic and Innovative Materials Committee of Sino-EU Chemical Manufacturers Association

Executive Management Team

In depth experience and specialised skills

Andy Border
General Manager Exploration

- 40+ years experience as a geologist
- Rare earths, copper, gold and industrial minerals
- Recent roles include Exploration Manager, COO and MD of a number of ASX-listed companies with projects in Australia and elsewhere

Valerie Quay
Legal Counsel

- Barrister at Law, Middle Temple UK and Herbert Smith LLP London
- Focused experience in corporate commercial law
- Management & Strategy consulting at McKinsey & Co, London
- Deputy Director – Strategy and Corporate Governance, National Philanthropic Centre, Singapore

Andrew Reid
Chief Operating Officer

- 25 years of expertise in mine management, geology and mining engineering concentrating on open pit and narrow vein mining
- Developed and managed mining projects in West Africa and Finland
- Previously COO of Finders Resources, GM of Kevitsa Mine, First Quantum Minerals, etc

Pit Wah Chung
Chief Financial Officer

- 20 years experience in financial reporting and tax
- Regional Financial Controller of Lifestyle Investment Group
- CFO of Muddy Murphy Holdings and Breadtalk Group Ltd
- Chartered Accountant of Singapore & fellow member of The Association of Chartered Certified Accountants (ACCA)

Robin Zhang
Process Engineering Manager

- 20+ years experience in R&D, project engineering, plant commissioning & operations
- 8 years Lynas - Senior Technical Services & Project Development Manager
- 11 years at Gansu Rare Earth Group China - Deputy Director Technical Centre

Thank you.

Q & A