



ASX: Quarterly Activities Report

30 January 2023

DECEMBER 2022 QUARTERLY REPORT

Highlights

- NAIF increased financial support for the Yangibana Rare Earths Project to A\$220 millionⁱ
- Secured non-binding MOU with Solvay for the supply of an initial 2,500 tonnes per annum of Mixed Rare Earth Carbonate to Solvay's plant in La Rochelle, Franceⁱⁱ
- Appointment of senior executives, including Interim CEO (Alwyn Vorster), Chief Operating Officer (Rudolph van Niekerk), and General Counsel (Robert Klug), to strengthen the Hastings team for next phase of Yangibana project developmentⁱⁱⁱ
- Enabling early construction works progressed at Yangibana with significant progress made on Kurrbili village, airstrip, communications infrastructure, water supply and access roads
- Commenced site preparation for drilling of groundwater bores at Onslow borefield in the Ashburton North Strategic Industrial Area
- Continued progressing orders for key long lead process plant equipment for both the Yangibana and the Onslow plants; Total of \$146m contractual commitments made to date
- Yangibana's Mineral Resources (all deposits) increased to 29.93 Mt containing 277,000 Kt of rare earth oxides – strong potential for reserves to also be upgraded in near term^{iv}
- Exploration Target of 40-60 Mt at 0.7-1.0% total rare earth oxides (TREO) outlined; Exploration program being scoped to test the Exploration Target^{v1}
- Exceptional ESG risk rating by Morningstar Sustainalytics with Hastings ranked 4th out of 159 companies rated in the Diversified Metals Mining subindustry category and placed 9th out of 193 companies in the Diversified Metals industry category.
- Hastings had \$172.2 million in cash and equivalents as of 31 December 2022.

¹ Cautionary Statement: The Exploration Target has been prepared and reported in accordance with the 2012 edition of the JORC Code. The potential quantity and grade of the Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource for all target areas reported. It is uncertain if further exploration will result in the estimation of a Mineral Resource.

Australia's next rare earths producer, Hastings Technology Metals Ltd (ASX: HAS) (Hastings or the Company), is pleased to report on corporate, exploration and development activities for the three-month period to 31 December 2022. Most of the activity focused on the Company's Yangibana Rare Earths Project (Yangibana) in the Gascoyne region and Hydrometallurgical Plant in the Pilbara region of Western Australia.

Safety

The business continued to remain lost time injury free during the December period. The Yangibana project had reached 1,614 days LTI free at the end of the period. The Total Recordable Injury frequency rate (TRIFR) was 9.98 per million hours worked.

People

In November, the Hastings Board recruited the company's first CEO, with resource industry executive, Mr Alwyn Vorster, appointed to the role of Interim Chief Executive Officer.

Mr Vorster has the mandate to review the current project business case and contracting strategy, strengthen the Hastings management team and deliver the Yangibana Rare Earths Project (Hastings 1.0). The CEO role reports to the Executive Chairman, Mr Charles Lew, who will focus primarily on investor relations and the funding solutions to also deliver the visionary integrated mine-to-magnet strategy (Hastings 2.0).

Subsequent to quarter end, additional management appointments were made. These include:

- Mr Rudolph van Niekerk as Chief Operating Officer and Acting Project Director. Rudolph has extensive mining and resource development experience, most recently in the roles of CEO, COO and Project Director at Kalium Lakes Ltd. As the COO he will be responsible for Operations, Logistics, Approvals, and Health & Safety
- Mr Tim Gilbert as General Manager Operations. Tim comes to Hastings with over thirty years' operational experience in the minerals industry across commodities including lithium, copper, nickel, gold and diamonds Tim most recently held the position of GM Operations at the Mt Holland lithium operation of the Covalent JV where he managed more than 250 employees and contractors at site. He will initially be responsible for the geology, mining and operational readiness functions in the company.
- Mr Robert Klug as General Counsel. Rob has extensive experience in general counsel and company secretary roles in the mining and resources sector, including over nine years with Sandfire Resources Ltd. He will manage all legal matters relating to the Project and company.
- Ms Freya Hunt-Davies as Manager Cost Control. Freya is a qualified CPA and was most recently Project Controls Lead at Calibre Engineering. Her prior experience includes finance management roles at Tronox and Johnson & Johnson.
- Mr Vince Catania as GM Communities and Government Relations. Vince was previously a Member of the WA Parliament for 17 ½ years representing the Gascoyne and Pilbara areas.

Environment & Sustainability

The environmental focus on the Yangibana site has transitioned from permitting, to include compliance with approval conditions, with support being provided to the construction teams through the issue of Ground Disturbance Permits, environmental monitoring programs (including groundwater, surface water, dust and vegetation) and environmental inspections.

Baseline and impact studies on the Yangibana Expansion 1 project (encompassing the expanded proposed mining envelope during operations) continued during the quarter. This included groundwater drawdown modelling and subterranean fauna surveys.

Baseline Environmental Site Assessments were completed for the Onslow borefield and hydrometallurgical plant sites. Permits for Onslow including the Native Vegetation Clearing Permit and Works Approval were progressed during the quarter.

During the quarter Hastings released the company's 2022 Sustainability Report as well as an inaugural Climate Change Report. These reports demonstrate Hastings' commitment to transparently report our ESG performance to our stakeholders.

This commitment and transparency was recognised with an exceptional ESG risk rating by Morningstar Sustainalytics with Hastings ranked 4th out of 159 companies rated in the Diversified Metals Mining subindustry category and placed 9th out of 193 companies in the Diversified Metals industry category. Hastings also undertook an EcoVadis assessment and achieved 68/100 which placed the company in the top 5% of companies assessed.

Yangibana Project Development

Enabling early infrastructure construction activities continued during the quarter with a focus on the Yangibana airstrip, village, telecommunications, roads and water supply and initial clearing works at the Onslow plant site.

Yangibana Early Works Advanced

Executed early works at Yangibana during the December 2022 Quarter represented early works completion at 63%, and includes:

- Site Access Road: progress continued with the entire alignment trafficable with two lanes;
- Kurrbili Accommodation Village: Good construction progress made with all phase 1 accommodation and support buildings placed, and supplied with power.
- Airstrip construction progressed with completion of blasting for rock removal and arrival in December of crusher to generate engineered fill and wearing course material.
- Construction of the telecommunications package for the tower-based microwave data service to site was completed and commissioned.



Figure. 1 Kurrbili Accommodation Village: Phase 1 with first 100 rooms, office facilities and kitchen installed.



Figure. 2 Mine Site Airstrip: earthworks substantially progressed during quarter.



Figure. 3 Mine Site Airstrip: drilling and blasting operations continued.



Figure. 4 Mine Site Communications: Installation of communications infrastructure complete.

Onslow Early Works Advanced

Early works at Onslow during the December 2022 Quarter represent 18% completion, and included:

- Completion of the site geotechnical investigation activities by GALT to support final earthworks and civil design by DRA;
- Award of the Onslow water bore drilling contract and procurement of long lead items to support drilling in Q1 23.
- Completion of enabling works at the Onslow water bore site, including site earthworks and construction of office establishment.



Figure. 5 *Onslow Site: commencement of site preparation for drilling groundwater bores.*

Engineering Designs and Contracts

Milestone engineering design reviews were completed for the beneficiation plant, and bulk earthworks design drawings were completed for both sites. Significant scopes of work awarded during the quarter include the design and construction of the SipHon borefield, regrind mill supply, drilling of the Onslow hydrometallurgical borefield, design and manufacture of the uranium removal system and Kurrbili village communication and entertainment system.

A total of \$146 million contractual commitments has been made to date, demonstrating the high degree of confidence by the Hastings Board in the future of the project.

Hastings executed a four-party road user agreement with the Shires of Ashburton, Carnarvon and Upper Gascoyne straddling the public road between Yangibana and Onslow. The agreement provides for ongoing access and maintenance of the important arterial link between these two sites.

Cost and Schedule Review

Industry cost and labour availability pressures remain a concern with difficulties in sourcing certain high skill, low availability roles and securing vendor quotes in a timely manner. Hastings commenced a detailed cost and schedule review to establish the most current capital cost and scheduling targets within the overall project planning. This process is expected to be completed within the current quarter (Q1 2023).

Project Finance

A process for limited-recourse project finance funding for the Yangibana project was initiated in early 2021 with a view to securing a senior project debt facility totalling A\$400 million.

In February 2022, the NAIF board approved loan support for A\$140 million subject to pre-completion conditions (refer ASX announcement *"NAIF Approves \$140m Loan for Yangibana Rare Earths Project"* dated 2 February 2022). Hastings announced subsequent to the end of the quarter that NAIF had approved an increase in the financial support to the Yangibana Rare Earths Project to A\$220 million (refer ASX announcement *"NAIF Increases Financial Support for Yangibana Rare Earths Project to A\$220 million"* dated 17 January 2023).

Hastings has continued engagement with several lender groups to secure the balance of the project finance required for the Yangibana project. Hastings has continued working with potential lenders with the aim to finalise commercial terms, secure final credit approved commitments and reach contractual close on the financing stack ahead of initial drawdown.

Hastings recently completed a Two-Tranche Placement to raise A\$110 million in new equity to progress the Yangibana rare earth project. Equity capital has been invested into the project prior to drawdown of the limited recourse project finance funding.

Commercial

On 11 October, Solvay and Hastings signed a conditional offtake Memorandum of Understanding (MOU) which outlines the intent of both parties to enter into a binding commercial offtake agreement for the supply of Mixed Rare Earth Carbonate (MREC). Under the agreement, the supply of an initial 2,500 tonnes per annum of MREC will be sent from Hastings' Yangibana rare earth project in Western Australia to Solvay's plant in La Rochelle, France.

Solvay recently announced its commitment to expand and upgrade its La Rochelle plant for the production of separated rare earth oxides for the permanent magnets market. This significant investment by Solvay reinforces the determination by the Europeans to create a downstream rare earth magnets manufacturing capability within Europe in the coming years. The partnership agreement with Hastings puts both parties in an advantageous position to explore potential downstream opportunities including magnet production with third parties.

Mineral Resource Estimate

An updated Mineral Resource Estimate of combined Measured, Indicated and Inferred categories of 29.93Mt at 0.93% TREO was announced in October (ASX announcement titled "Drilling along 8km long Bald Hill - Fraser's Trend Increases Indicated Mineral Resource by 50%", 10 October 2022).

The new Mineral Resource estimate (Table 1) is the result of a successful 13,334m drilling campaign at Yangibana during 2021-2022 targeting the 8km long Bald Hill – Simon's Find – Fraser's trend (Figures 6 and 7) which is in proximity to the process plant and vital for the ore feed required upon project commissioning scheduled for H2 2024.

The drilling program increased the Indicated Mineral Resources along the Bald Hill - Simon's Find - Frasers deposits by 50% to 9.84Mt or by 31% for the Measured + Indicated Mineral Resources to 14.16Mt for the same deposits (Table 2.)

Total Mineral Resources at the Yangibana project stands at 29.93Mt @ 0.93% TREO (Table 1).

Table 1: Total (all 10 deposits) JORC (2012) Mineral Resources October 2022

Category	M Tonnes	%TREO	%Nd ₂ O ₃ +Pr ₆ O ₁₁	TREO t
Measured	4.97	0.96	0.37	47,721
Indicated	19.51	0.88	0.32	171,936
sub-total	24.49	0.90	0.33	219,657
Inferred	5.45	1.05	0.31	57,298
TOTAL	29.93	0.93	0.32	276,955

- Numbers may not add up due to rounding. Includes JV tenement contributions.
- Reporting of Minerals Resources for Auer, Auer North, Bald Hill, Fraser's, Simon's Find and Yangibana is at a cut-off grade of 0.24% total rare earth oxides (TREO).
- Reporting of Mineral Resources for all other deposits is at 0.2% Nd₂O₃+Pr₆O₁₁ cut-off grade.

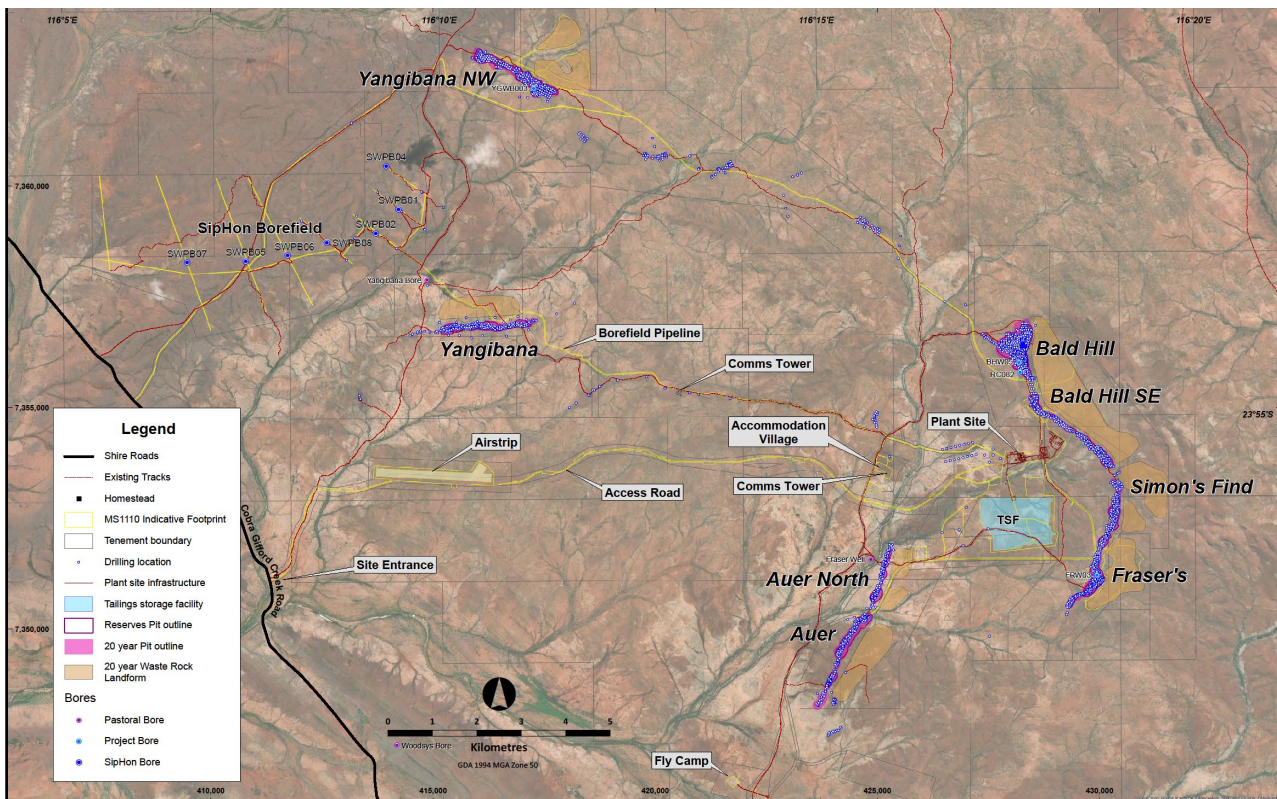
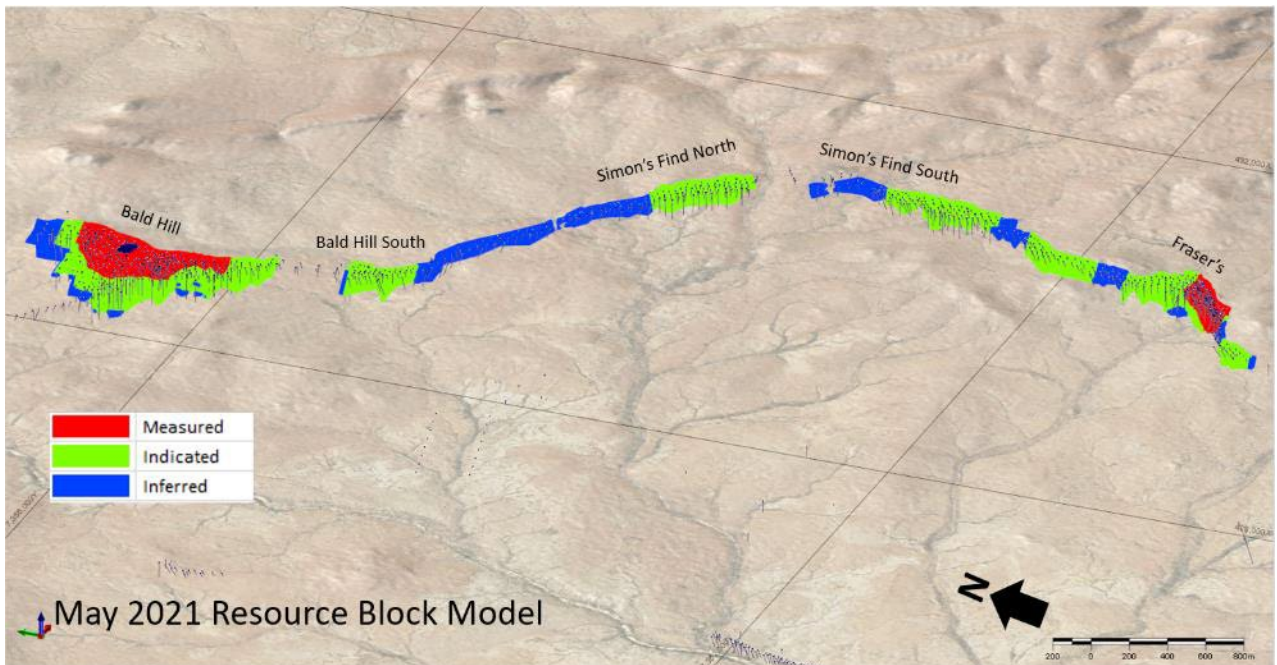


Figure 6. Map showing location of Yangibana deposits and planned site infrastructure.



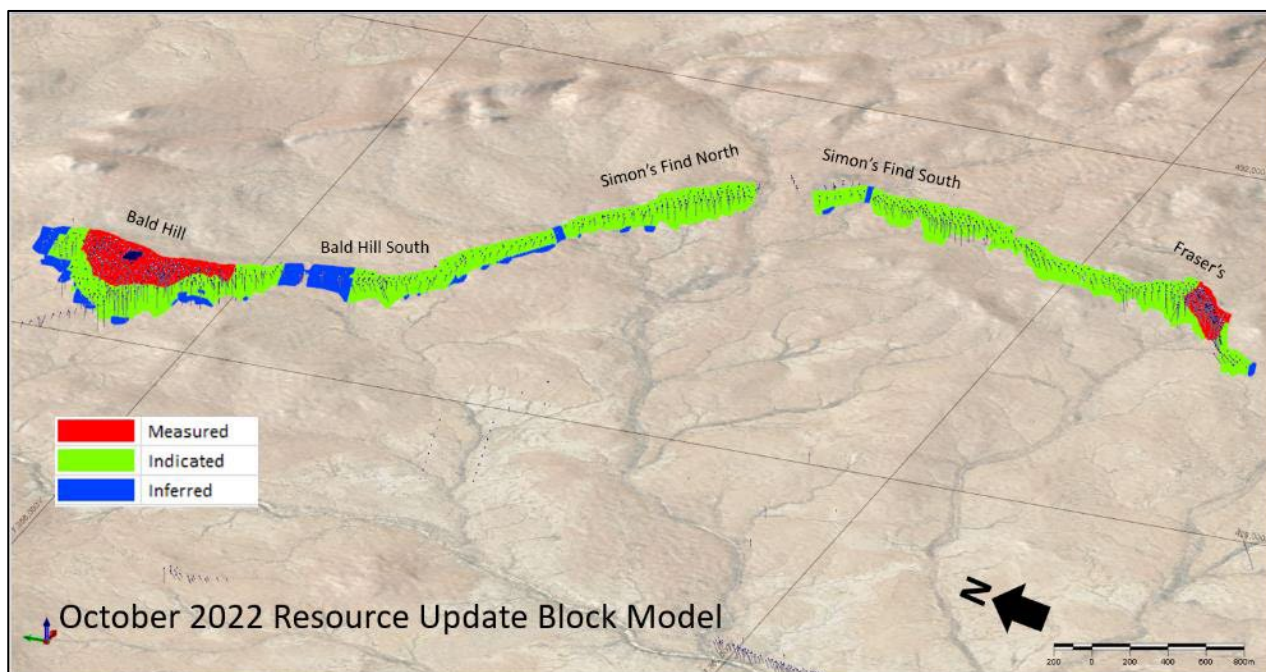


Figure 7. Oblique Bald Hill to Fraser's Long Section (looking east) showing Resource Classifications from 2021 block model (top) and updated 2022 block model (bottom). and October 2019 wireframe outlines. 2022 model contains significantly less blue Inferred Mineral Resource Category and fewer gaps in the resource model than the 2021 estimate.

Corporate

On 14 October 2022 the Company announced the completion of the acquisition of an approximate 19.9% shareholding in Neo Performance Materials Inc. for an aggregate price of C\$134,611,905.

The acquisition provides Hastings with a strategic stake in NEO and exposure to the global downstream processing of rare earth materials into magnets. The acquisition was funded by a A\$150 million cornerstone investment in Hastings by Wyloo Metals, through the issue of secured, redeemable, exchangeable notes.

The Company spent approximately \$31 million on project development in the quarter and a further \$1.6 on exploration. Payments to related parties and their associates during the quarter, in respect of directors fees, company secretarial and consulting fees amounted to \$664,000.

Post quarter end, the Company announced the completion of the acquisition of the 30% interest in Yangibana JV tenements, held by Cadence Minerals Plc. The consideration of A\$9 million was settled by the issue of 2,452,650 fully paid ordinary Hastings shares.

Hastings now has a 100% interest across the entire Yangibana rare earth tenement package. Substantial opportunity and upside exists to increase the Mineral Resources with JV tenements which have only been lightly explored.

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

For further information, please contact:

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About Hastings Technology Metals Limited

Hastings Technology Metals Limited (ASX: HAS) is a Perth based rare earths company primed to become the world's next producer of neodymium and praseodymium concentrate (NdPr). NdPr are vital components in the manufacture of permanent magnets used every day in advanced technology products ranging from electric vehicles to wind turbines, robotics, medical applications, digital devices, etc.

Hastings' flagship Yangibana Project (which comprises a mine and beneficiation plant at the Yangibana site, and a hydrometallurgical plant at Onslow), in the Gascoyne and Pilbara regions of Western Australia, contains one of the most highly valued NdPr deposits in the world with NdPr:TREO ratio of up to 52%. The Project is permitted for long-life production and with offtake contracts signed and debt finance in advanced stage. First product on ship is targeted for 1H 2025.

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

ⁱ Refer ASX announcement "NAIF Increases Financial Support for Yangibana to \$220m" dated 17 January 2023

ⁱⁱ Refer ASX announcement "Solway and Hastings Sign MOU for Supply of MREC" dated 11 October 2022

ⁱⁱⁱ Refer ASX announcement "Hastings appoints interim Chief Executive Officer" dated 9 November 2022

^{iv} Refer ASX announcement "Drilling along 8km long Bald Hill - Fraser's trend Increases Indicated Mineral Resources by 50%" dated 11 October 2022

^v Refer ASX announcement "Potential identified to significantly expand Yangibana Resource Base" dated 15 December 2022



Competent Persons and Qualifying Persons Statement

The information in this report that relates to Exploration Results in relation to the Yangibana Project is based on information compiled by Mr. Andrew Ford BSc (Hons) MAUSIMM, a Competent Person, who is a Member of the Australian Institute of Mining and Metallurgy. Mr. Ford is a full-time employee of the company and has sufficient experience that is relevant to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves. The Qualified Person has verified the data disclosed in this release, including sampling, analytical and test data underlying the information contained in this release. Mr. Ford consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this announcement that relates to Mineral Resources is based on information compiled by David Princep and Lynn Widenbar. Both Mr Princep and Mr Widenbar are independent consultants to the Company and members of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Princep and Mr Widenbar have sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this announcement 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"). Consent by Mr Widenbar to include statements in this announcement have been provided in previous announcements entitled "Increase in Measured and Indicated Resources at Yangibana Project" dated 28 November 2018.

APPENDIX – MINING TENEMENTS HELD AS AT 31 DECEMBER 2022

YANGIBANA PROJECT			
All tenements are in Western Australia			
Gascoyne Metals Pty Ltd (100% subsidiary)			
Tenement	Locality	Status	Holder/s
E09/1989	WA	Granted	Gascoyne Metals Pty Ltd
E09/2007	WA	Granted	Gascoyne Metals Pty Ltd
E09/2084	WA	Granted	Gascoyne Metals Pty Ltd
E09/2086	WA	Granted	Gascoyne Metals Pty Ltd
E09/2095	WA	Granted	Gascoyne Metals Pty Ltd
E09/2129	WA	Granted	Gascoyne Metals Pty Ltd
E09/2137	WA	Granted	Gascoyne Metals Pty Ltd
E09/2334	WA	Granted	Gascoyne Metals Pty Ltd
E09/2364	WA	Granted	Gascoyne Metals Pty Ltd
E09/2403	WA	Granted	Gascoyne Metals Pty Ltd
E09/2404	WA	Granted	Gascoyne Metals Pty Ltd
G09/10	WA	Granted	Gascoyne Metals Pty Ltd
G09/14	WA	Granted	Gascoyne Metals Pty Ltd
G09/23	WA	Granted	Gascoyne Metals Pty Ltd
G09/24	WA	Granted	Gascoyne Metals Pty Ltd
G09/25	WA	Granted	Gascoyne Metals Pty Ltd
L09/66	WA	Granted	Gascoyne Metals Pty Ltd
L09/67	WA	Granted	Gascoyne Metals Pty Ltd
L09/68	WA	Granted	Gascoyne Metals Pty Ltd
L09/69	WA	Granted	Gascoyne Metals Pty Ltd
L09/70	WA	Granted	Gascoyne Metals Pty Ltd
L09/71	WA	Granted	Gascoyne Metals Pty Ltd
L09/72	WA	Granted	Gascoyne Metals Pty Ltd
L09/74	WA	Granted	Gascoyne Metals Pty Ltd
L09/75	WA	Granted	Gascoyne Metals Pty Ltd
L09/80	WA	Granted	Gascoyne Metals Pty Ltd
L09/81	WA	Granted	Gascoyne Metals Pty Ltd
L09/82	WA	Granted	Gascoyne Metals Pty Ltd
L09/83	WA	Granted	Gascoyne Metals Pty Ltd
L09/85	WA	Granted	Gascoyne Metals Pty Ltd
L09/86	WA	Granted	Gascoyne Metals Pty Ltd
L09/87	WA	Granted	Gascoyne Metals Pty Ltd
L09/89	WA	Granted	Gascoyne Metals Pty Ltd
L09/91	WA	Granted	Gascoyne Metals Pty Ltd
M09/157	WA	Granted	Gascoyne Metals Pty Ltd
M09/160	WA	Granted	Gascoyne Metals Pty Ltd
M09/164	WA	Granted	Gascoyne Metals Pty Ltd

M09/165	WA	Granted	Gascoyne Metals Pty Ltd
Tenement	Locality	Status	Holder/s
M09/165	WA	Granted	Gascoyne Metals Pty Ltd
M09/177	WA	Granted	Gascoyne Metals Pty Ltd
M09/179	WA	Granted	Gascoyne Metals Pty Ltd
P09/489	WA	Granted	Gascoyne Metals Pty Ltd

Gascoyne Metals Pty Ltd (70%) Joint Venture			
Tenement	Locality	Status	Holder/s
E09/1703	WA	Granted	Gascoyne Metals Pty Ltd (70%) Mojito Resources Limited (30%)
E09/1704	WA	Granted	Gascoyne Metals Pty Ltd (70%) Mojito Resources Limited (30%)
E09/1705	WA	Granted	Gascoyne Metals Pty Ltd (70%) Mojito Resources Limited (30%)
E09/1706	WA	Granted	Gascoyne Metals Pty Ltd (70%) Mojito Resources Limited (30%)
E09/2296	WA	Granted	Gascoyne Metals Pty Ltd (70%) Mojito Resources Limited (30%)
E09/2298	WA	Granted	Gascoyne Metals Pty Ltd (70%) Mojito Resources Limited (30%)
E09/2333	WA	Granted	Gascoyne Metals Pty Ltd (70%) Mojito Resources Limited (30%)
G09/11	WA	Granted	Gascoyne Metals Pty Ltd (70%) Mojito Resources Limited (30%)
G09/13	WA	Granted	Gascoyne Metals Pty Ltd (70%) Mojito Resources Limited (30%)
M09/159	WA	Granted	Gascoyne Metals Pty Ltd (70%) Mojito Resources Limited (30%)
M09/161	WA	Granted	Gascoyne Metals Pty Ltd (70%) Mojito Resources Limited (30%)
M09/163	WA	Granted	Gascoyne Metals Pty Ltd (70%) Mojito Resources Limited (30%)

Yangibana Pty Ltd (100% subsidiary)			
Tenement	Locality	Status	Holder/s
G09/26	WA	Granted	Yangibana Pty Ltd
G09/27	WA	Granted	Yangibana Pty Ltd
G09/28	WA	Granted	Yangibana Pty Ltd
L09/96	WA	Granted	Yangibana Pty Ltd
L09/97	WA	Granted	Yangibana Pty Ltd
M09/176	WA	Granted	Yangibana Pty Ltd
M09/178	WA	Granted	Yangibana Pty Ltd
E09/1700	WA	Granted	Yangibana Pty Ltd
E09/1943	WA	Granted	Yangibana Pty Ltd
E09/1944	WA	Granted	Yangibana Pty Ltd
E09/2018	WA	Granted	Yangibana Pty Ltd
G09/17	WA	Granted	Yangibana Pty Ltd
G09/18	WA	Granted	Yangibana Pty Ltd
G09/20	WA	Granted	Yangibana Pty Ltd
G09/21	WA	Granted	Yangibana Pty Ltd
G09/22	WA	Granted	Yangibana Pty Ltd
L09/93	WA	Granted	Yangibana Pty Ltd
L09/95	WA	Granted	Yangibana Pty Ltd
M09/158	WA	Granted	Yangibana Pty Ltd
M09/162	WA	Granted	Yangibana Pty Ltd

BROCKMAN PROJECT			
All tenements are in Western Australia			
Brockman Project Holdings Pty Ltd (100% subsidiary)			
Tenement	Locality	Status	Holder/s
E80/5248	WA	Application	Brockman Project Holdings Pty Limited
M80/636	WA	Application	Brockman Project Holdings Pty Limited
P80/1626	WA	Granted	Brockman Project Holdings Pty Limited
P80/1627	WA	Granted	Brockman Project Holdings Pty Limited
P80/1628	WA	Granted	Brockman Project Holdings Pty Limited
P80/1629	WA	Granted	Brockman Project Holdings Pty Limited
P80/1630	WA	Granted	Brockman Project Holdings Pty Limited
P80/1631	WA	Granted	Brockman Project Holdings Pty Limited
P80/1632	WA	Granted	Brockman Project Holdings Pty Limited
P80/1633	WA	Granted	Brockman Project Holdings Pty Limited
P80/1634	WA	Granted	Brockman Project Holdings Pty Limited
P80/1635	WA	Granted	Brockman Project Holdings Pty Limited

OTHER			
All tenements are in Western Australia			
Ark Gold Pty Ltd (100% subsidiary)			
Tenement	Locality	Status	Holder/s
E09/2385	WA	Granted	Ark Gold Pty Ltd
E09/2399	WA	Granted	Ark Gold Pty Ltd