

AUSTRALIA'S NEXT RARE EARTHS PRODUCER



**HASTINGS**  
Technology Metals Limited

EQUITY RAISING PRESENTATION | 6 SEPTEMBER 2022

# Begin the Future

HASTINGS TECHNOLOGY METALS LIMITED | ASX : HAS

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## Competent Persons’ Statement

The information in this release that relates to Mineral Resources is based on information compiled by David Princep and Lyn 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”).

The information in this announcement that relates to the Ore Reserves at Bald Hill, Fraser’s, Auer, Auer North, Yangibana, Yangibana West and Yangibana North is based on information reviewed or work undertaken by Mr. Stephen O’Grady, member of the Australasian Institute of Mining and Metallurgy, and a Director of Interline Engineering Consultants. Mr O’Grady 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 O’Grady consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

The scientific and technical information in this announcement and that relates to process metallurgy is based on information reviewed by Ms. Narelle Marriott (General Manager Processing) of Hastings Technology Metals Limited. Ms. Marriott is a member of the AusIMM and has sufficient experience 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. Ms. Marriott owns shares in the company and participates in the company employee share plan. Ms. Marriott consents to the inclusion in this announcement of the matters based on their information in the form and context in which it appears.

The information in this announcement that relates to Exploration Results in relation to the Yangibana Project is based on information compiled by Mr. Andrew Reid BSc (Hons) MSc FAUSIMM, a Competent Person, who is a Fellow of the Australian Institute of Mining and Metallurgy. Mr. Reid is a full-time employee of the company in the role of Chief Operating Officer 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 Competent Person has verified the data disclosed in this release, including sampling, analytical and test data underlying the information contained in this release. Mr. Reid owns shares in the company and participates in the employee share plan. Mr. Reid consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

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## ASX Listing Rule 5 requirements

This presentation includes estimates of mineral resources and ore reserves in relation to Hastings' mining projects. Hastings has previously reported these estimates in the ASX announcements "Yangibana Project updated Measured and Indicated Mineral Resource Tonnes up by 54%, TREO oxides up 32%", dated 5 May 2021 and "Yangibana Rare Earths Project Significant Ore Reserve Tonnes increase of 37%, NdPr Tonnes up 18% to 58Kt", dated 27 July 2021 and "Hastings to Acquire 30% Yangibana Joint Venture Interest from Cadence Minerals Plc" dated 23 June 2022. Hastings confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and all material assumptions and technical parameters underpinning the estimates in the original market announcements continue to apply and have not materially changed.

This presentation contains production targets and forecast financial information derived from a production target. Hastings has previously reported the production targets and forecast financial information in the ASX announcement "Yangibana Project NPV8 Increases 84% to A\$1 billion (post tax)", dated 21 February 2022. Hastings confirms that all material assumptions underpinning the production targets, and the forecast financial information derived from the production targets, continue to apply and have not materially changed.

## JORC Code

It is a requirement of the ASX Listing Rules that the reporting of ore reserves and mineral resources in Australia comply with the Joint Ore Reserves Committee's Australasian Code for Reporting of Mineral Resources and Ore Reserves ("JORC Code"). Investors outside Australia should note that while ore reserve and mineral resource estimates of the Company in this document comply with the JORC Code (such JORC Code-compliant ore reserves and mineral resources being "Ore Reserves" and "Mineral Resources" respectively), they may not comply with the relevant guidelines in other countries and, in particular, do not comply with (i) National Instrument 43-101 (Standards of Disclosure for Mineral Projects) of the Canadian Securities Administrators (the "Canadian NI 43-101 Standards"); or (ii) Item 130-0 of Regulation S-K, which governs disclosures of mineral reserves in registration statements filed with the SEC. Information contained in this document describing mineral deposits may not be comparable to similar information made public by companies subject to the reporting and disclosure requirements of Canadian or US securities laws. You should not assume that quantities reported as "resources" will be converted to reserves under the JORC Code or any other reporting regime or that the Company will be able to legally and economically extract them.

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## Authorisation

This presentation has been authorised for release by the Board.

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Determination of eligibility of investors for the purposes of all or any part of the Offer is determined by reference to a number of matters, including legal requirements and the discretion of the Company and the Joint Lead Managers. To the maximum extent permitted by law, the Company, the Joint Lead Managers and their respective Limited Parties expressly disclaim any duty or liability (including for negligence) in respect of the exercise of that discretion or otherwise.

Any participant in the Offer acknowledges that allocations under the Offer are at the sole discretion of the Joint Lead Managers and the Company. To the maximum extent permitted by law, the Joint Lead Managers and the Company disclaim any duty or liability (including for negligence) in respect of the exercise of that discretion. Furthermore, the Company reserves the right to vary the timetable for the Offer (with the consent of the Joint Lead Managers) including by closing the Offer bookbuild early or extending the Offer bookbuild closing time (generally or for particular investors), without recourse to them or notice to any participant in the Offer. Moreover, communications that the Offer or Offer bookbuild is “covered” (ie aggregate demand indications exceed the amount of the New Shares offered) are not an assurance that the Offer will be fully distributed.

The Joint Lead Managers (and/or their respective affiliates and related bodies corporate) may also receive and retain other fees, profits and financial benefits in each of the above capacities and in connection with the above activities, including in their capacity as Joint Lead Managers to the Offer.



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Highlights



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Appendix

# Australia's Next Rare Earths Producer<sup>1</sup>

 <b>Globally significant supplier of NdPr</b>	<ul style="list-style-type: none"><li>• NdPr is critical to the global energy transition - permanent magnets are key components of EV's and wind turbines with no substitute</li><li>• NdPr market expected to be in significant supply deficit by late 2020s - Yangibana estimated to account for 6-8% of global NdPr supply</li><li>• Rare Earths deemed a critical mineral by the EU Commission, US Department of Energy and Australian Critical Minerals Office</li></ul>
 <b>Unique deposit in Tier 1 jurisdiction</b>	<ul style="list-style-type: none"><li>• World leading composition of NdPr (up to 52%) in RE basket – more than double the world average</li><li>• Ore grades significantly improved by beneficiation – producing a high grade concentrate containing up to 27% total rare earth oxides</li><li>• Located in Tier 1 mining jurisdiction of Western Australia, Onslow well serviced with major existing infrastructure</li></ul>
 <b>Attractive project economics</b>	<ul style="list-style-type: none"><li>• 16.7Mt Ore Reserve; 15 year mine life producing 15,000tpa of high grade Mixed Rare Earth Carbonate (“<b>MREC</b>”)</li><li>• NPV<sub>8</sub> (post-tax) of A\$1,012m and post-tax IRR of 26%<sup>2</sup></li><li>• Significant exploration upside to expand existing Mineral Resources and discover new rare earth deposits</li></ul>
 <b>Offtake secured &amp; strategic investment in Neo</b>	<ul style="list-style-type: none"><li>• ~70% of production is contracted for the first 10 years via agreements in place with thyssenkrupp and Skyrock</li><li>• Proposed acquisition of ~20% strategic stake in Neo Performance Materials (NEO.TSX) favourably positions Hastings within the full mine-to-magnet supply chain, underpinned by a A\$150m cornerstone investment in Hastings by Wyloo Metals<sup>3</sup></li></ul>
 <b>Funding well advanced, NAIF secured</b>	<ul style="list-style-type: none"><li>• Northern Australia Infrastructure Facility (“<b>NAIF</b>”) has approved A\$140m loan facility underpinning debt funding requirements</li><li>• Well advanced on discussions with other debt and equity providers for remaining funding including German State bank, KfW-Ipex Bank</li><li>• ~A\$137m of cash on balance sheet as at 30 June 2022</li></ul>
 <b>Experienced leadership strongly aligned to shareholders</b>	<ul style="list-style-type: none"><li>• Board and Executive Leadership Team with a proven track-record of delivering success for shareholders</li><li>• Shareholder alignment with the Board &amp; KMP's currently holding a collective ~6.9% (including ~6.3% by Executive Chairman Charles Lew)</li></ul>

<sup>1</sup> Statements made in the above investment highlights should be viewed in accordance with the Key Risks outlined in Appendix B

<sup>2</sup> Refer ASX announcement “Yangibana Project NPV8 Increases 84% to A\$1 Billion (post-tax)” dated 21 February 2022

<sup>3</sup> Refer ASX announcement “Agreement to acquire strategic shareholding in Neo Performance Materials and cornerstone investment in Hastings by Wyloo Metals” dated 26 August 2022



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Appendix

# Offer Summary

Hastings is conducting a placement to raise ~A\$100 million and a SPP to raise up to ~A\$10 million

Offer structure and size	<ul style="list-style-type: none"><li>Hastings is conducting the Offer to raise up to ~A\$110 million, comprising:<ul style="list-style-type: none"><li>A placement to raise ~A\$100 million via the issue of approximately:<ul style="list-style-type: none"><li>15.2 million fully paid ordinary shares (“<b>New Shares</b>”) pursuant to the Company’s existing placement capacity under ASX Listing Rule 7.1 (“<b>Tranche 1</b>”); and</li><li>7.5 million New Shares, subject to shareholder approval<sup>2</sup> (“<b>Tranche 2</b>”) (together the “<b>Placement</b>”).</li></ul></li><li>A Share Purchase Plan (of up to A\$30,000 per shareholder) to raise up to A\$10 million (“<b>SPP</b>”). (Together the Placement &amp; SPP are the “<b>Offer</b>”)</li></ul></li><li>Up to approximately 25.0 million new shares to be issued under the Offer representing ~24.6% of existing ordinary shares on issue</li><li>New shares issued under the Offer will rank equally with existing shares on issue</li><li>The Placement will be underwritten to A\$90 million (before costs) with A\$10 million expected to be raised under a non-underwritten Chairman’s List. The SPP is non-underwritten</li></ul>
Offer price	<ul style="list-style-type: none"><li>Offer price of A\$4.40 per share, represents a:<ul style="list-style-type: none"><li>18.8% discount to the last closing price of A\$5.42 per share on 2 September 2022</li><li>12.3% discount to the 10-day VWAP of A\$5.02 per share as at 2 September 2022</li></ul></li></ul>
Share Purchase Plan <sup>1</sup>	<ul style="list-style-type: none"><li>Eligible Hastings shareholders as at the record date of 7:00pm AEST, Monday, 5 September 2022 with a registered address in Australia or New Zealand will have the opportunity to apply for Hastings shares pursuant to a non-underwritten SPP</li><li>Offer price of A\$4.40 per share, the same offer price as the Placement</li><li>Up to A\$30,000 per Eligible Shareholder, targeting a maximum of up to A\$10 million</li><li>Hastings may decide to accept applications (in whole or in part) that result in the SPP raising more or less than A\$10 million in its absolute discretion. Hastings reserves the right (in its absolute discretion) to scale back applications under the SPP if demand exceeds A\$10 million, raise a higher amount or close the SPP at an earlier date</li></ul>
Director Participation	<ul style="list-style-type: none"><li>All the Directors of Hastings who are shareholders have indicated they will participate in the SPP</li></ul>
Record Date for the SPP	<ul style="list-style-type: none"><li>7.00pm (AEST) on Monday, 5 September 2022</li></ul>
Joint Lead Managers & Underwriters <sup>3</sup>	<ul style="list-style-type: none"><li>Barrenjoey Markets Pty Ltd and Canaccord Genuity (Australia) Limited are acting as Joint Lead Managers &amp; Underwriters to the Placement</li></ul>

1. Further details of the SPP will be contained in the SPP offer booklet, which will be sent to eligible HAS shareholders in due course

2. Shareholder approval will be sought at Hastings General Meeting expected to be held on or around Monday, 10 October 2022

3. The Placement will be underwritten to A\$90 million (before costs) with A\$10 million expected to be raised under a non-underwritten Chairman’s List

# Sources & Uses of Funds

Offer proceeds will be used to advance the development of the world-class Yangibana rare earths project which remains on track for first production in 2024



## Process plant capex at Yangibana and Onslow

- Procurement of additional equipment
- Commencement of construction



## Early works development costs

- Continuation of activities at Yangibana
- Site establishment, geotechnical and early-works at Onslow



## Project services costs

- Engineering support
- Process plant design for Yangibana and Onslow
- External consultants



## Working capital and Offer costs

- Working capital requirements
- Offer costs, including Joint Lead Manager fees and legal fees

## Sources & Uses of Funds

Sources of Funds	(A\$m)	% of Total
Proceeds from Placement (before costs)	100	91%
Proceeds from SPP (before costs)	10	9%
<b>Total Sources</b>	<b>110</b>	<b>100%</b>

Uses of Funds	(A\$m)	% of Total
Process plant capex at Yangibana and Onslow	50	45%
Early works development costs	18	16%
Project services costs	32	29%
Working capital and Offer costs	10	9%
<b>Total Uses</b>	<b>110</b>	<b>100%</b>

# Indicative Timetable & Pro-forma Capital Structure

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

## Pro-forma Capital Structure<sup>1</sup>

	Shares (m)	Cash (A\$m)
2 September 2022 (unaudited)	101.45	~137 <sup>2</sup>
Placement	22.73	~100
<b>Pro-forma (Placement)</b>	<b>124.18</b>	<b>~237</b>
SPP (assuming fully subscribed)	2.27	~10
<b>Pro-forma (Placement &amp; SPP)</b>	<b>126.45</b>	<b>~247</b>

## Pro-Forma Market Capitalisation<sup>1</sup>

	Current	Pro-Forma
Shares on Issue	101.45m	126.45m
Share Price	A\$5.42/sh	A\$4.40/sh
<b>Market Capitalisation</b>	<b>A\$550m</b>	<b>A\$556m</b>

1. Excludes the impact of any exchange of the proposed A\$150m Exchangeable Note by Wyloo - Refer ASX announcement "Agreement to acquire strategic shareholding in Neo Performance Materials and cornerstone investment in Hastings by Wyloo Metals" dated 26 August 2022  
 2. As at 30 June 2022



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Appendix

# Corporate Overview

Hastings is an emerging ASX-listed company focused on the development of its Yangibana Rare Earths Project

## Yangibana Project

### Downstream – Onslow Hydrometallurgical Location



**REGION**  
Pilbara Region, WA

**FINAL PRODUCT**  
15,000tpa MREC containing:  
8,500tpa TREO  
3,400tpa NdPr

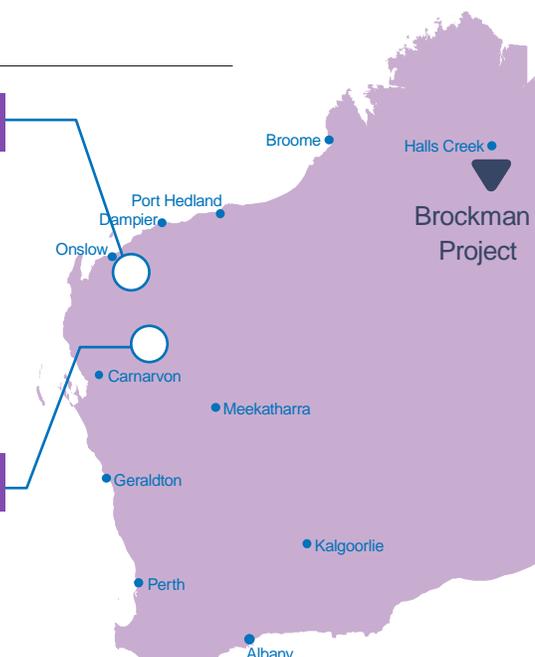
### Upstream – Yangibana Mine Site Location



**REGION**  
Upper Gascoyne Region, WA

**BENEFICIATION**  
Upgrading ore grade 25x

**PRODUCT**  
Production of high-grade Rare Earths Oxide (REO) concentrate



Early Works Infrastructure under construction  
Commissioning ahead of production scheduled for late 2024

Corporate snapshot (2 September 2022) ASX: HAS

Market Cap.

**A\$550m**

Share price (\$/s)

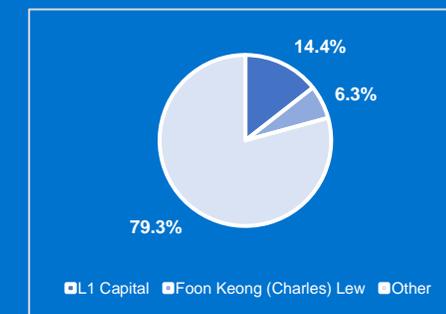
**A\$5.42**

Shares on issue

**101.4m**

~6.9% held by Board and Executive Leadership Team

Major shareholders



Cash and liquid assets<sup>1</sup>

**A\$136.966m**

1. As at 30 June 2022

# Accomplished Board of Directors

## Jean Claude Steinmetz Non Executive Director

- Joined the Board in Jul 2016
- Chief Operating Officer for Lynas Corporation 2013 - 2015
- 25+ years in the chemical industry with Rhodia and General Electric
- Chairman of the Auto Plastic and Innovative Materials Committee of Sino-EU Chemical Manufacturers Association



## Bruce McFadzean Non Executive Director

- Joined the Board in Jan 2021
- Managing Director of Sheffield Resources since 2015
- 40+ years in the global resource industry including 15+ years with BHP Billiton & Rio Tinto
- Led successful financing and operation of mines around the world



## Charles Lew Executive Chairman

- Took over HAS in Dec 2013 and appointed Chairman
- 30+ years investment banking experience in London and Singapore
- Entrepreneur with business experience in macro hedge fund, F&B and real estate
- MD of ABN Amro Investment Bank Singapore 1997 - 2000
- Independent Non Executive Director of Malaysia's RHB Banking Group 2004 - 2016



## Guy Robertson Finance Director

- Served on the Board of Hastings since Oct 2012
- 30+ years CFO experience
- CFO for various ASX listed junior mining companies
- Senior finance executive in Jardine Matheson Group in Hong Kong and Australia including Jardine Lloyd Thompson, Colliers Jardine, and Franklins Limited



## Mal Randall Non Executive Director

- Joined the Board in Feb 2019
- 45+ years extensive experience in corporate, management and marketing in the resources sector including 25+ years with the Rio Tinto group of companies



## Neil Hackett Non Executive Director

- Joined the Board in Nov 2018
- 15+ years ASX Director, Company Secretary with mining and industrial experience
- Corporate Finance and Regulatory Experience ASIC 1990-1999
- Independent Corporate Governance Advisor and AICD Facilitator



# Experienced Senior Management Team

**Andrew Reid**  
Chief Operating Officer

- Appointed COO in Nov 2018
- 30 years of expertise in mine management, geology and mining engineering concentrating on open pit and narrow vein mining
- Constructed and operated mining projects in West Africa, Finland and Indonesia
- Previously COO of Finders Resources, GM of Kevitsa Mine, First Quantum Minerals



**Matthew Allen**  
Chief Financial Officer

- Joined Hastings in 2021 with 20+ years experience in finance, operational & management of public companies in resource sector
- CFO and Managing Director of Otto Energy Ltd in the US, and spent 8 years as Finance Manager at Woodside Energy



**Nick Holthouse**  
GM Engineering & Operation Readiness

- Joined Hastings in Feb 2019 with 30+ years experience in surface & underground mining operations, engineering & surveying in commodities – gold, uranium, coal and base metals
- Managed, commissioned / operated mines & process plants in remote regions
- Merdeka Mining, Finders Resources, CSA Global



**Nick Bennett**  
Project Manager

- Joined Hastings in 2021 with 30+ years experience in mining and metals
- Over 20 years experience in executing studies and projects in the chemical and mineral processing industry
- Previously with Ausenco, MSP Engineering and First Quantum
- Skilled in project development from concept through to commissioning



**Narelle Marriott**  
Manager Process Development

- Joined Hastings in late 2014 working on early metallurgical process development
- A minerals process engineer with 20 years experience in the mining industry across Nickel, Iron Ore and Rare Earths industries
- Experience in operations, flowsheet development, project engineering, R&D and project improvement



**Lisa McGrath**  
GM Environment

- Joined Hastings in October 2021 with over 25 years experience in gold and mineral sands mining
- Over 16 years with Iluka Resources with broad experience across environmental approvals, project delivery, sustainability and business risk



**Valerie Quay**  
Legal Counsel

- Joined Hastings in 2017, with 10+ year experience in cross culture and multi jurisdiction matters in corporate law, management and strategy consulting
- Barrister at Law, Middle Temple UK and Masters in Law (LLM) International Business Transactions and previously at Herbert Smith Freehills London and McKinsey & Co



**Andrew Ford**  
GM Exploration

- Joined Hastings in June 2021 with +30 years of exploration and mine development experience.
- Lead technical teams throughout Australia, as well as Africa, USA, Europe and Asia.
- Previously COO with Rubicon Resources and Peninsula Minerals



**Cathal Smith**  
Commercial Counsel

- Joined Hastings in March 2022 with +20 years of experience advising clients in the resources and energy sectors.
- Worked extensively international and domestically both in-house and in international law firms



**Dr Lara Jefferson**  
GM Sustainability

- Joined Hastings in July 2016 worked as GM Environment, Permitting and Government Relations before becoming GM Sustainability in 2021
- More than 30 years experience in a variety of environmental roles, including the preparation of environmental approvals, government and stakeholder consultation and compliance and sustainability reporting

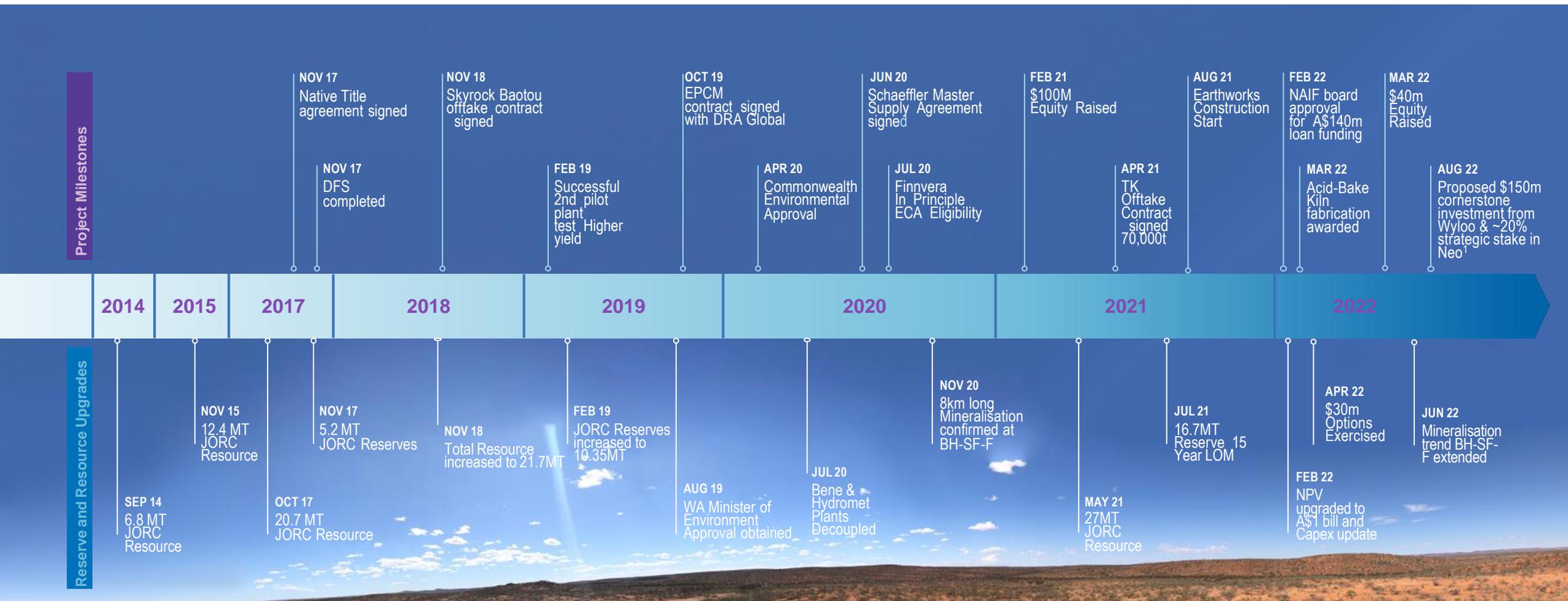


**Rachael Ward-Pryce**  
Human Resources Manager

- Joined Hastings in April 2021 with 18+ years experience in all facets of human resources management
- Recruited and built teams for domestic and international operations
- Newmont Australia, Resolute Mining, Iluka Resources, Alcoa



# Yangibana Milestones since 2014



1. Refer ASX announcement "Agreement to acquire strategic shareholding in Neo Performance Materials and cornerstone investment in Hastings by Wyloo Metals" dated 26 August 2022

# Strategic Purpose

We aim to be Australia's next rare earths producer and play a vital role in supplying the world with its high grade NdPr rare earth



## ***Yangibana Rare Earths Project***

*Deliver Mixed Rare Earth Carbonate Product to global market*



## ***Yangibana Expansion 1***

Accelerate newly discovered deposits proximal to plant infrastructure thereby increasing mine life



## ***Hastings 2.0***

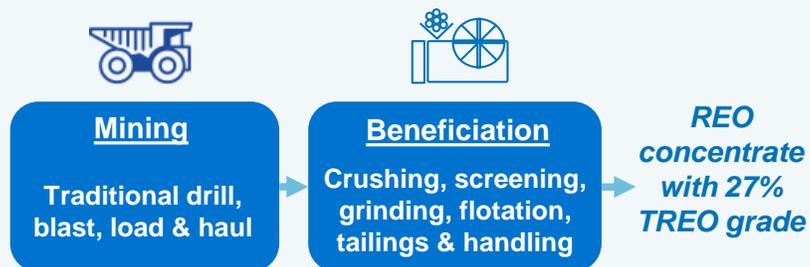
Partner with downstream supply operators so as to deliver rare earth products to end customers

# Yangibana Rare Earths Project

Proven and de-risked flowsheet delivering high-value MREC product to global market

## Upstream - Yangibana Mine Site and Beneficiation plant

- Located in the Gascoyne Region, Western Australia
- Traditional drill, blast, load & haul mining operation
- Ore Beneficiation (crushing, screening, grinding flotation and tailings handling)
  - Upgrades concentrate to 27% TREO grade
- Final product: REO concentrate will be transported to the Onslow Hydrometallurgical plant



*Open pit mining*      *16.7Mt of Ore Reserves*      *15-year mine life*



## Downstream – Onslow Hydrometallurgical Plant

- Located in the Onslow Region, Western Australia
- Hydromet plant to crack and leach monazite hosted rare earths concentrate using sulphuric acid and heat
- Plant to produce a mixed rare earth carbonate (“MREC”)
- Final product (MREC) concentrated to 59% TREO
- MREC to be shipped to oxide separation facilities currently existing in China, south-east Asia and Europe to produce final RE oxides



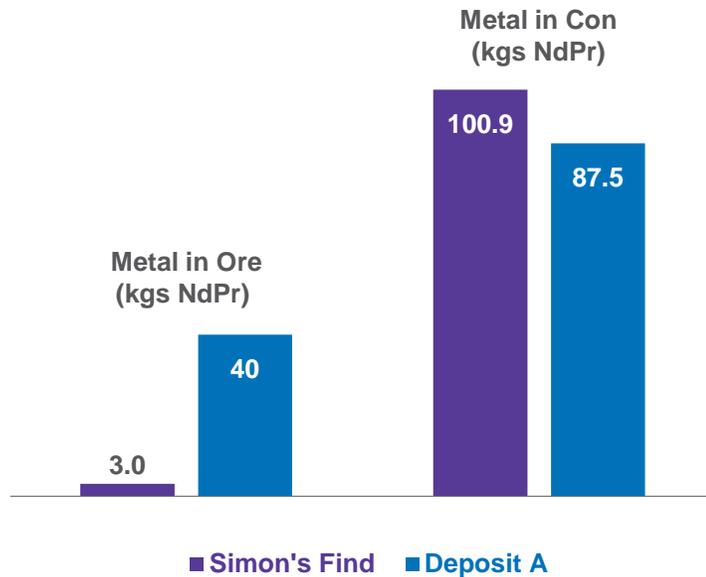
*Annual MREC production of ~15,000tpa*      *Average NdPr production of ~3,400tpa*

# Exceptionally high NdPr composition: Low mine grade to high metal output

Significant NdPr metal output per tonne of MREC

## Simon's Find vs Deposit A

- 28 times lower head grade
- 15% higher metal output



## Simon's Find vs Deposit A

Deposit	Mine Head Grade		
	% TREO	NdPr:TREO	% NdPr
Simon's Find	0.57	52%	0.30

Deposit	Mine Head Grade		
	% TREO	NdPr:TREO	% NdPr
A	16	25%	4.00

 28 times higher  
 9% higher than world Avg  
 13 times higher

## Simon's Find vs Deposit A

Beneficiation Grade		
% TREO Con	% NdPr Con	Bene Upgrade
19.4	10.3	34x

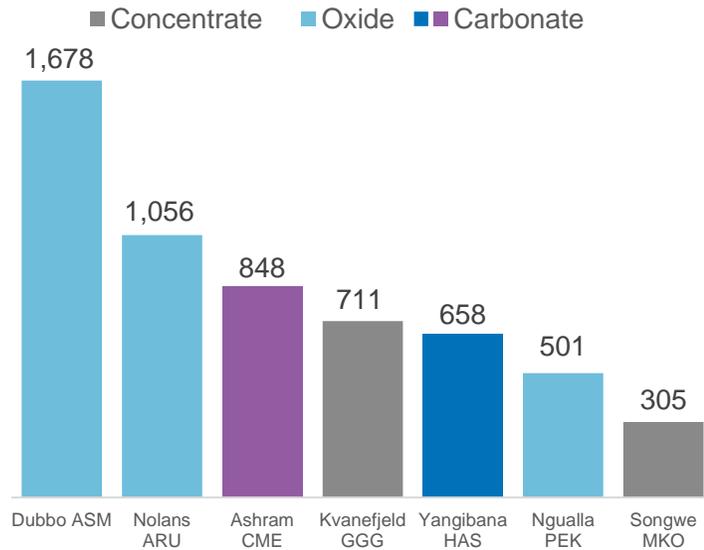
Beneficiation Grade		
% TREO Con	% NdPr Con	Bene Upgrade
35	8.8	2.2x

 1.8 times higher  
 15% lower metal output per ton of concentrate

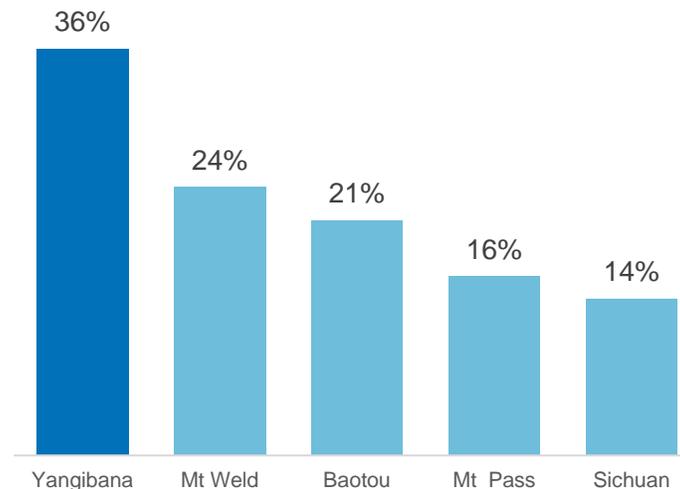
# Yangibana Project

## Exceeding On All Key Metrics

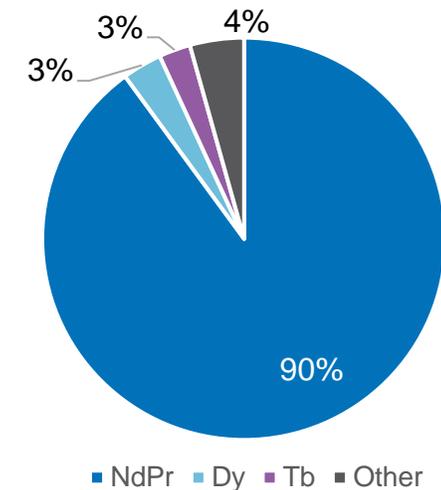
### Low capital development cost (AUDm)<sup>1</sup>



### 36% LoM NdPr content<sup>2</sup>



### NdPr – 90% of expected Yangibana revenues<sup>3</sup>



- AUD658m total capital cost
  - Low capital intensity compared to other projects
- 36% LoM NdPr content – surpassing global leaders
- 90% of expected Yangibana revenues to come from NdPr
  - NdPr is a key input factor in the green economy

<sup>1</sup> Capex numbers for: Songwe sourced from PFS released 23 Sep 2014 - Feasibility Study due in Q1 2022, Ngualla sourced from BFS release 12 April 2017 - BFS optimisation / update commenced in August and is currently ongoing, Kvanefjeld sourced from New World Metals Conference - 9 December 2020, Ashram sourced from: NI 43-101 Technical Report revised 7 January 2015, Nolans sourced from Bell Potter Unearthed Natural Resources Conference – 10 February 2022 and Dubbo sourced from Optimisation Study - 7 Dec 2021 (previously 1,297). FX rate of USD:AUD of 0.71 and CAD:AUD of 0.9

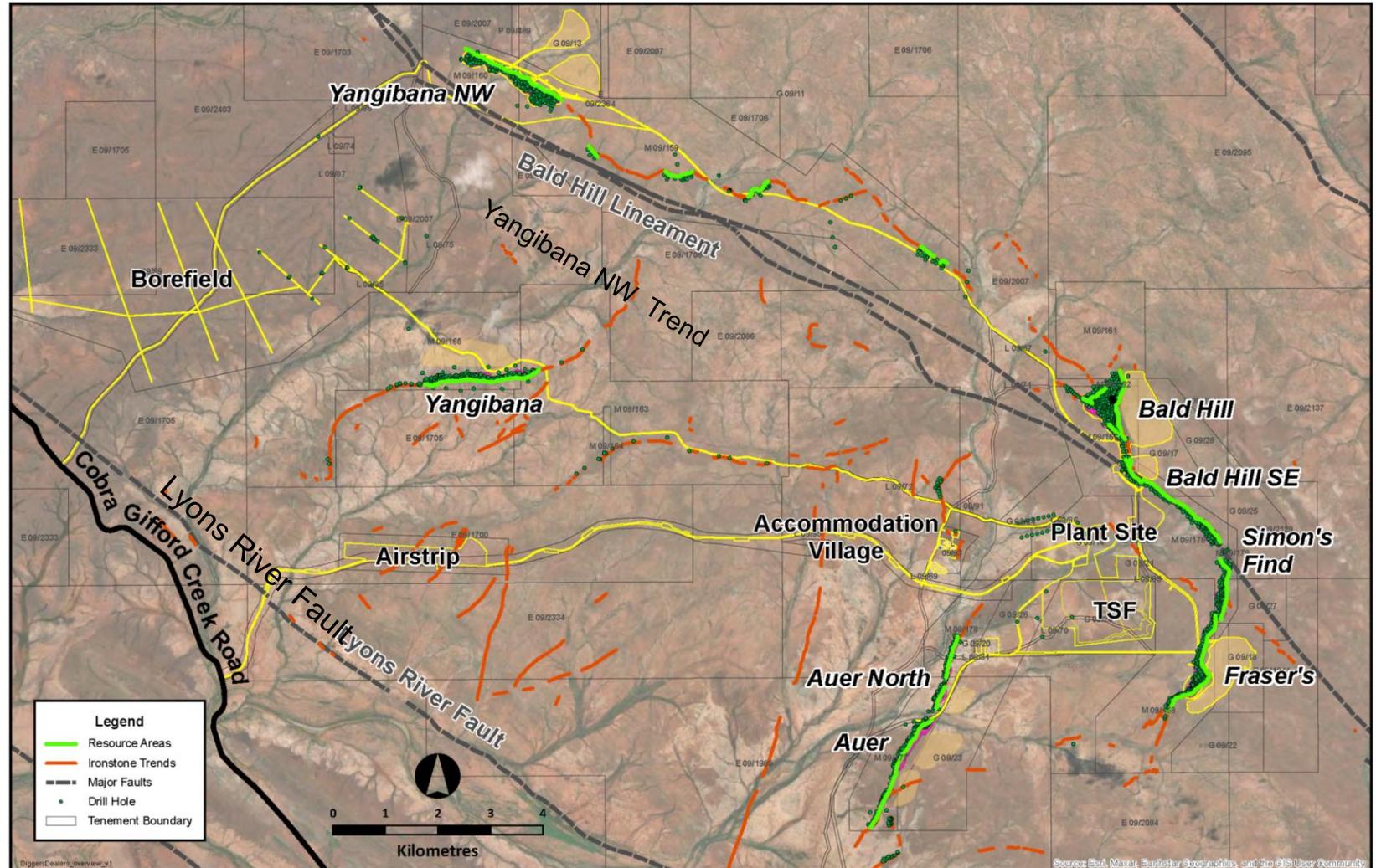
<sup>2</sup> Hastings Tech Metals, Thematic Firing, Ord Minnett, 15 December 2020

<sup>3</sup> ASX announcement “Yangibana Project NPV8 Increases 84% to A\$1 Billion (post-tax)” dated 21 February 2022

# Exceptional upside: Opportunities abound

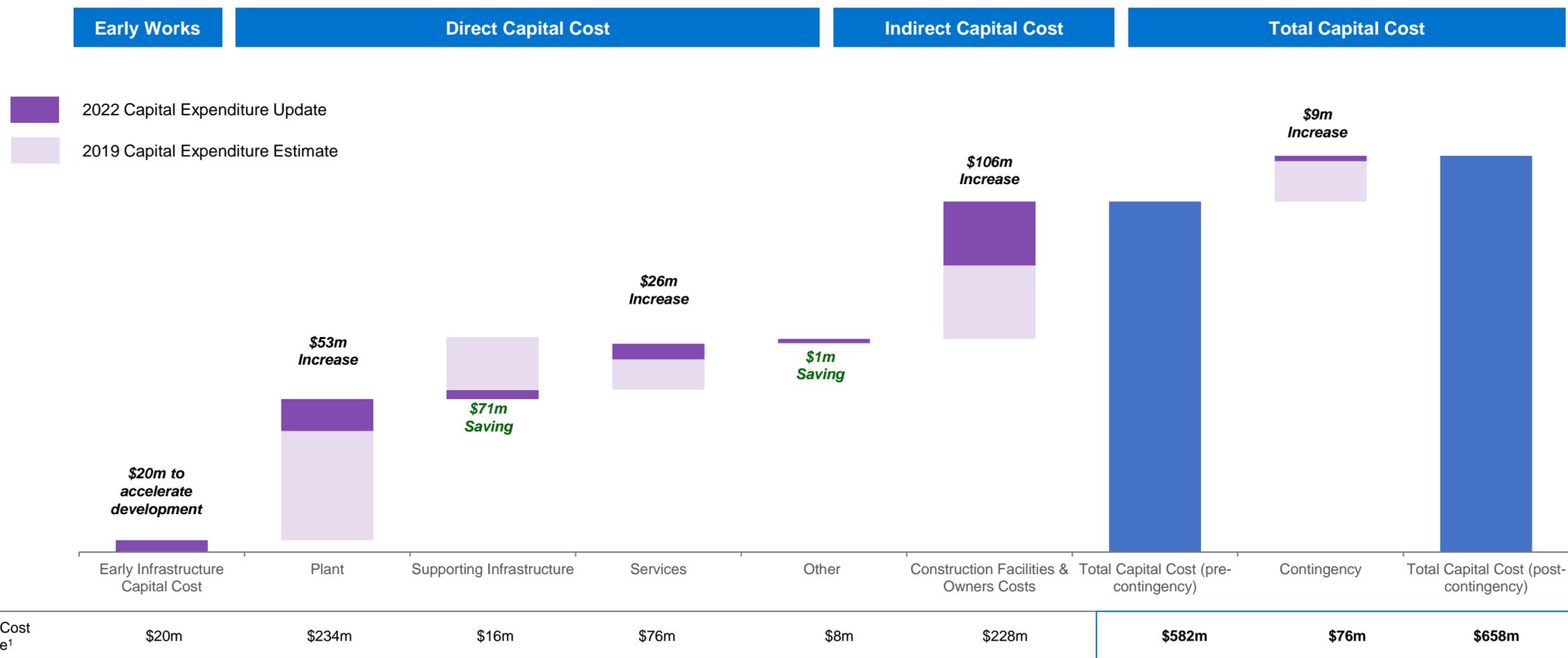
1 Existing 27.4Mt Mineral Resource has been defined over 24km of strike length (green lines).

2 Additional exploration potential strike length of 42km identified (Orange Lines)



# Yangibana Project Budget

Project is 'shovel-ready' following a comprehensive review and assessment of current inflationary pressures present in Western Australia



<sup>1</sup> Refer ASX announcement "Yangibana Project NPV8 Increases 84% to A\$1 Billion (post-tax)" dated 21 February 2022

# Yangibana Project – Funding

Hastings continues to advance funding discussions and remains on-track to deliver first production from Yangibana in 2024

## Status of Funding Discussions

- Non-recourse project financing discussions initiated in early 2021, A\$140m NAIF loan facility secured in February 2022. US\$130m credit approval obtained from KfW Ipelex Bank
- US\$350m Nordic Bond market sounding exercise exceeded expectations
- Funding discussions remain ongoing, with alternative proposals received from strategic parties in recent weeks
- These proposals have the potential to substantially alter the funding mix (i.e. debt versus equity) and provide the opportunity for Hastings to participate downstream via an end-to-end mine to magnet magnet solution
- Hastings continues to evaluate the proposals and expects to be in a position to finalise the preferred funding pathway by the end of Q3 2022
- Hastings has appointed Barrenjoey as financial adviser and King & Wood Mallesons as legal adviser to assist with strategic discussions
- KPMG Corporate Finance is acting as project finance adviser and Herbert Smith Freehills as legal adviser in relation to the project finance package

## Near-Term Project Execution

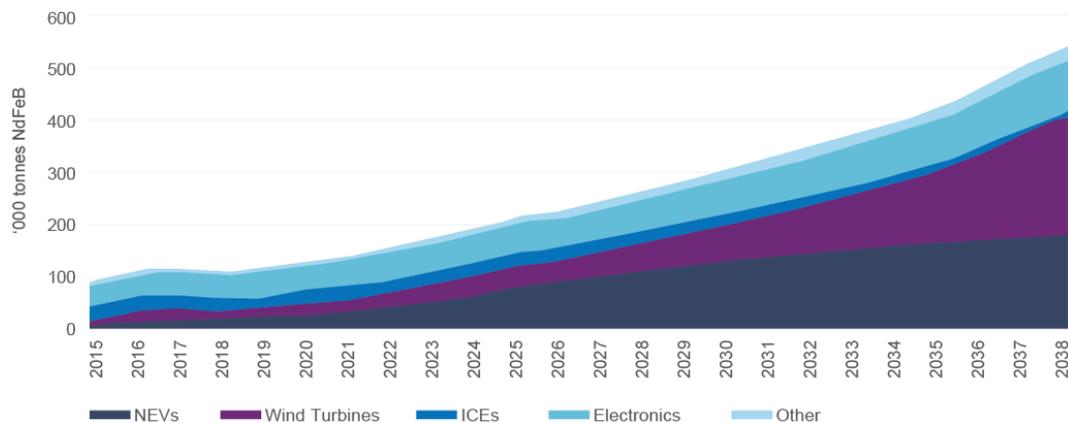


*All funding discussions are preliminary in nature. There is no guarantee that any discussions will result in firm funding proposals or would be recommended by the Board or that a transaction will eventuate*

# Global Supply Deficit Approaching Reality...

Market for NdPr will be in deficit over coming decade due to strong demand growth

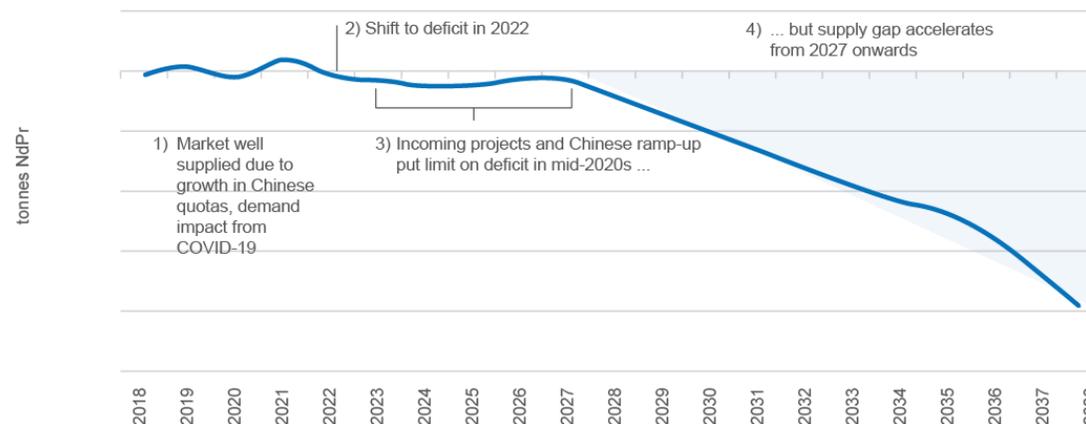
## NdFeB Demand



Global NdFeB demand will 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

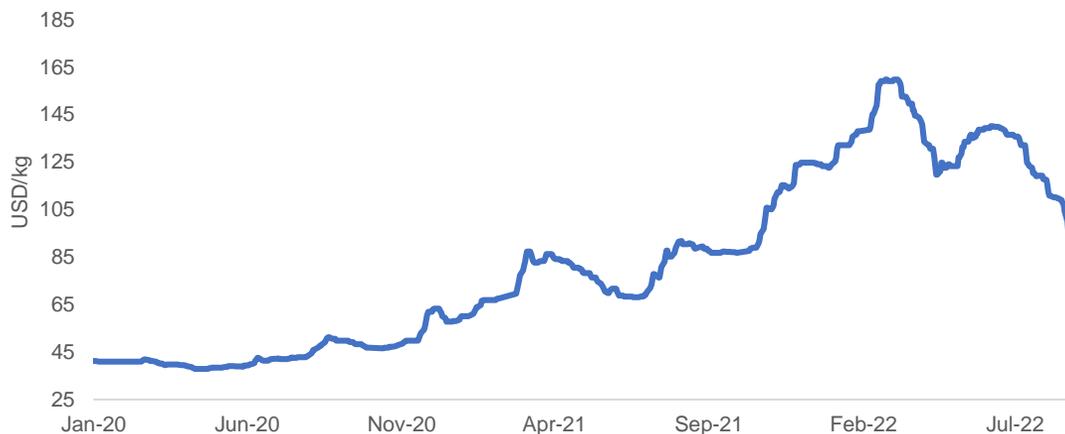
(Yangibana = 3.750 Kt p.a./ Market Demand 58.0 Kt p.a)

Source: CRU Jan 2021

# ... Set to Support Robust NdPr Prices

## NdPr Oxide Price (5 years to August 2022)

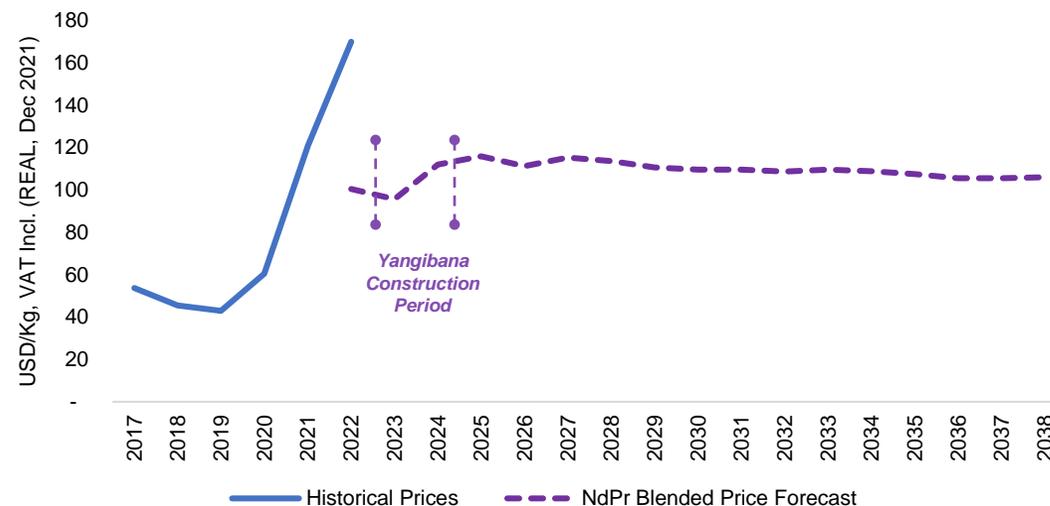
Pr6O11 25%, Nd2O3 75% ExW China



NdPr Oxide prices have moderated after strong price increases over 2021/22, however remain elevated above long-term average

Source: Asian Metals, 24 August 2022

## Indicative NdPr Price 2022 to 2038



NdPr prices anticipated to strengthen during Yangibana construction and into operations phase

Source: Arithmetic mean average of pricing from following reports:

- Adamas (Rare Earth Magnet Market Outlook to 2030), April 2021
- Wood Mackenzie (Rare Earth Markets 2021: Outlook to 2050), December 2021
- CRU Report Commissioned by Yangibana Project Finance Lenders, August 2021

# Updated DFS Key Metrics<sup>1</sup>

Hastings Revised issued February 2022

<b>NPV<sub>8</sub> (post-tax)</b>	A\$1,012M
<b>IRR / Payback</b>	26% / 2.7 years
<b>Capex</b>	A\$658M (incl. 13% Contingency)
<b>NdPr Oxide Price</b>	US\$112/kg (average LOM)
<b>Average Annual EBITDA</b>	A\$295M p.a.
<b>Opex</b>	A\$24.17/kg TREO (real, January 2022)
<b>Initial Mine Life</b>	15 Years

<sup>1</sup> Refer ASX announcement "Yangibana Project NPV8 Increases 84% to A\$1 Billion (post-tax) dated 21 February 2022"



## Ore Reserve

16.70 Mt @ 0.95% TREO and  
0.35% Nd<sub>2</sub>O<sub>3</sub>+Pr<sub>6</sub>O<sub>11</sub>



## Mining

15 year Life of Mine  
1.2 Mtpa ore feed



## Mineral Resource (M/I/I)

27.42 Mt @ 0.97% TREO and  
0.33% Nd<sub>2</sub>O<sub>3</sub>+Pr<sub>6</sub>O<sub>11</sub>



## Opex

Opex: A\$24.17 per kg TREO



## Production

Mixed Rare Earth Carbonate: 15,000 tpa  
Containing NdPr Oxide: ~3,400 tpa



## Total Free Operating Cash Flow

A\$4,376 M

# Yangibana Project – NPV Sensitivity Analysis

Updated DFS demonstrates strong improvement in project NPV with upside/downside to key input variables being demonstrated below

## Foreign Exchange Rate

Revised NPV

Model assumption – Jan 2022 Fwd

- |                     |            |
|---------------------|------------|
| • AUD\$1 :USD\$0.64 | A\$1,106 M |
| • AUD\$1 :USD\$0.75 | A\$728 M   |

## Capex

Model assumption – A\$582m (excl. contingency)

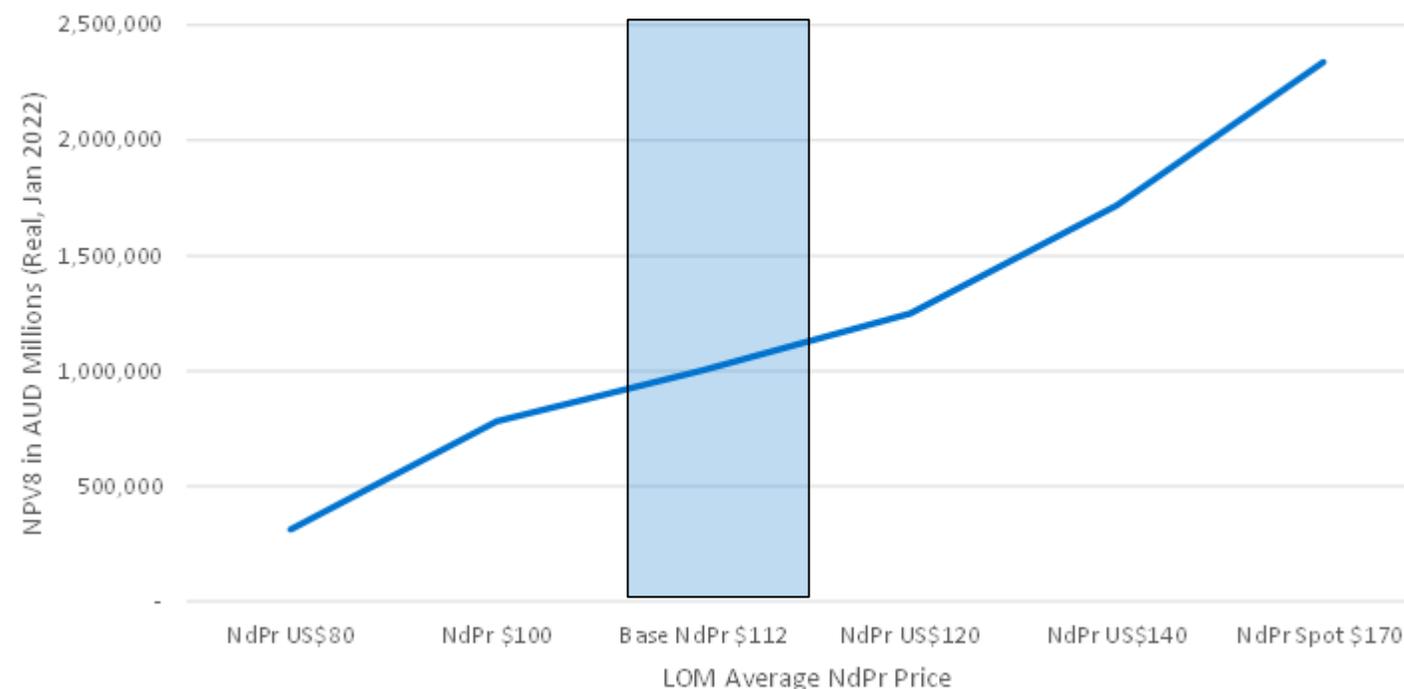
- |         |            |
|---------|------------|
| • - 10% | A\$1,029 M |
| • + 10% | A\$948 M   |

## Plant Recoveries

Model assumption -

- |        |            |
|--------|------------|
| • + 1% | A\$1,059 M |
| • - 1% | A\$947 M   |

## Yangibana Rare Earths Project NPV8 Sensitivity to NdPr Oxide Prices



<sup>1</sup> Refer ASX announcement "Yangibana Project NPV8 Increases 84% to A\$1 Billion (post-tax)" dated 21 February 2022

# Offtake Contracts

~70% of production contracted for 10 yrs with strong offtake counterparties

Counterparty	 thyssenkrupp <sup>3</sup>	<b>SKYROCK</b> <sup>1</sup>	<b>SCHAEFFLER</b> <sup>2</sup>
<b>Counterparty</b>	thyssenkrupp Materials Trading GmbH (“TMT”)	Baotou Sky Rock Rare Earth New Materials Co., Ltd (“Skyrock”)	Schaeffler Technologies AG (“Schaeffler Tech”)
<b>Counterparty headquartered</b>	Essen, Germany 	Inner Mongolia, China 	Herzogenaurach, Germany 
<b>Counterparty website</b>	<a href="https://www.thyssenkrupp-materials-trading.com/">https://www.thyssenkrupp-materials-trading.com/</a>	<a href="http://skyrockre.com/en/">http://skyrockre.com/en/</a>	<a href="https://www.schaeffler.com/fork/">https://www.schaeffler.com/fork/</a>
<b>Agreement type</b>	Binding framework offtake contract. Take or pay once TMT has arranged end buyers for Hastings MREC from its global RE magnet customers. (Hastings takes TMT credit risk.)	Offtake agreement (take or pay). Bankability is supported by an irrevocable LC prior to shipment.	Master agreement for long term supply of MREC signed ahead of project agreement to be signed (for European mine to magnet supply chain).
<b>Counterparty details</b>	TMT is a 100% subsidiary of thyssenkrupp AG. TMT is a leading raw material trading company specialising in trading and complex logistics for raw and finished materials. TMT has 480 sites globally. thyssenkrupp AG has a market capitalisation of USD 5.3 billion and a BB- credit rating.	Skyrock specialises in the production, research and development of rare earth metals and high temperature NdFeB permanent magnetic materials.	Schaeffler Tech is a subsidiary of Schaeffler AG and a leading German global automotive components Tier 1 supplier. Schaeffler is planning to develop a European rare earth magnets supply chain. Schaeffler AG has a market capitalisation of USD 4.1 billion and a credit BB+ credit rating.
<b>Agreement term</b>	10 years from production start	5 Years from November 2018	13 years from production start
<b>Quantity</b>	Year 1-5: 9,000tpa MREC Year 6-10: 5,000tpa MREC	Year 1-5: 2,500tpa MREC	Quantities to be agreed between Hastings/Schaeffler Tech.

<sup>1</sup> Refer ASX announcement “Hastings Signs Off-Take Contract with Sky Rock Rare Earth New Materials Co Ltd”, dated 29 Nov 2018

<sup>2</sup> Refer ASX announcement “Hastings Signs Long Term Master Agreement with German Automotive Tier 1 Supplier, Schaeffler Technologies AG”, dated 3 June 2020

<sup>3</sup> Refer ASX announcement “Hastings Signs Major Offtake with thyssenkrupp Materials Trading GmbH”, dated 20 April 2021

# Sustainability At the Core of All We Do

Committed to playing a key role in the push for a more sustainable world



## Transparent reporting – Maiden sustainability report released

- Guided by Global Reporting Initiative (GRI) Standards, including the Mining and Metals Sector Disclosure Supplement
- Materiality assessment prioritised topics that matter to our stakeholders

Comprehensive due diligence audits completed as part of project finance loan terms

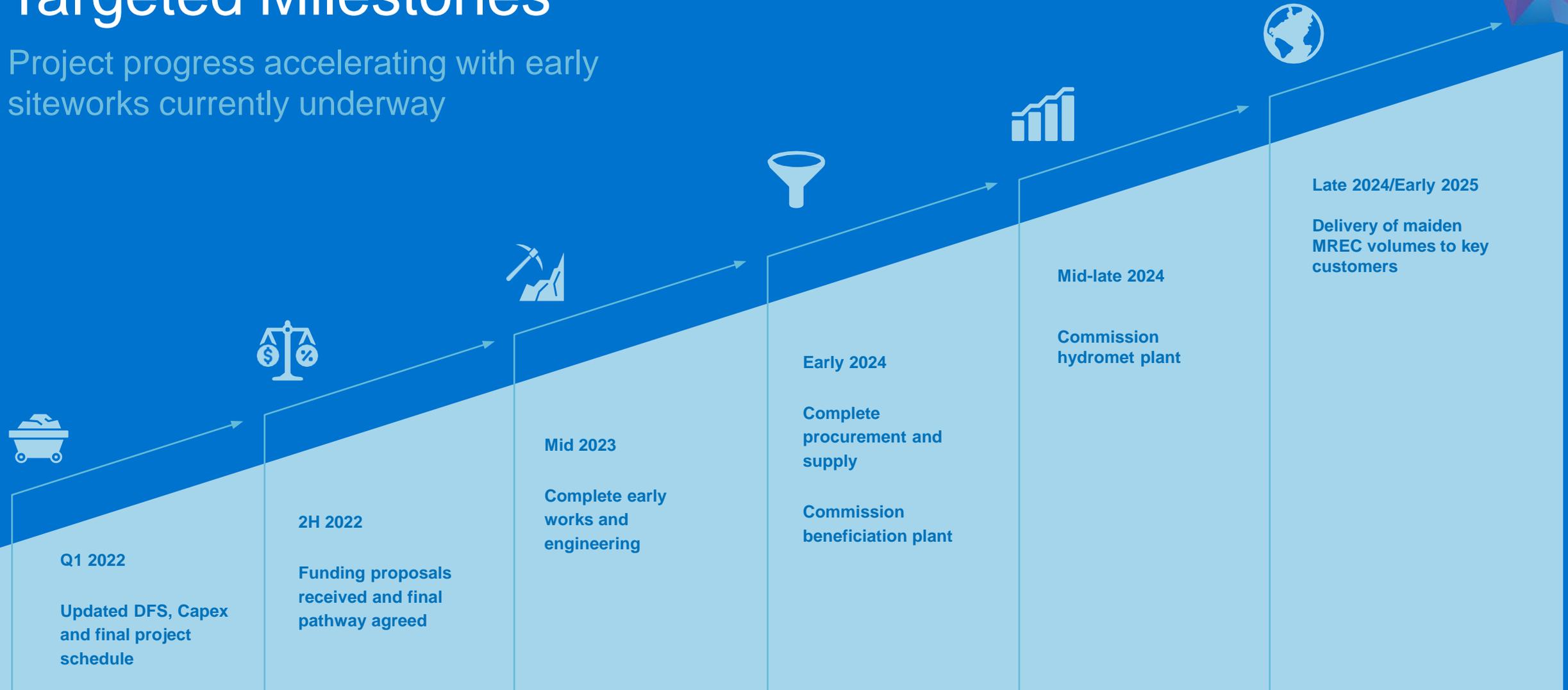
2022 Annual Report will include climate-related financial disclosures aligned with the Task Force for Climate Related Disclosures (TCFD) recommendations

ESG Committee established – continuous work

Voluntary Native Title Agreement – foundation of Traditional Owner engagement

# Yangibana Project Targeted Milestones

Project progress accelerating with early siteworks currently underway





Investment  
Overview



Equity  
Raising  
Overview



Hastings &  
Yangibana  
Overview



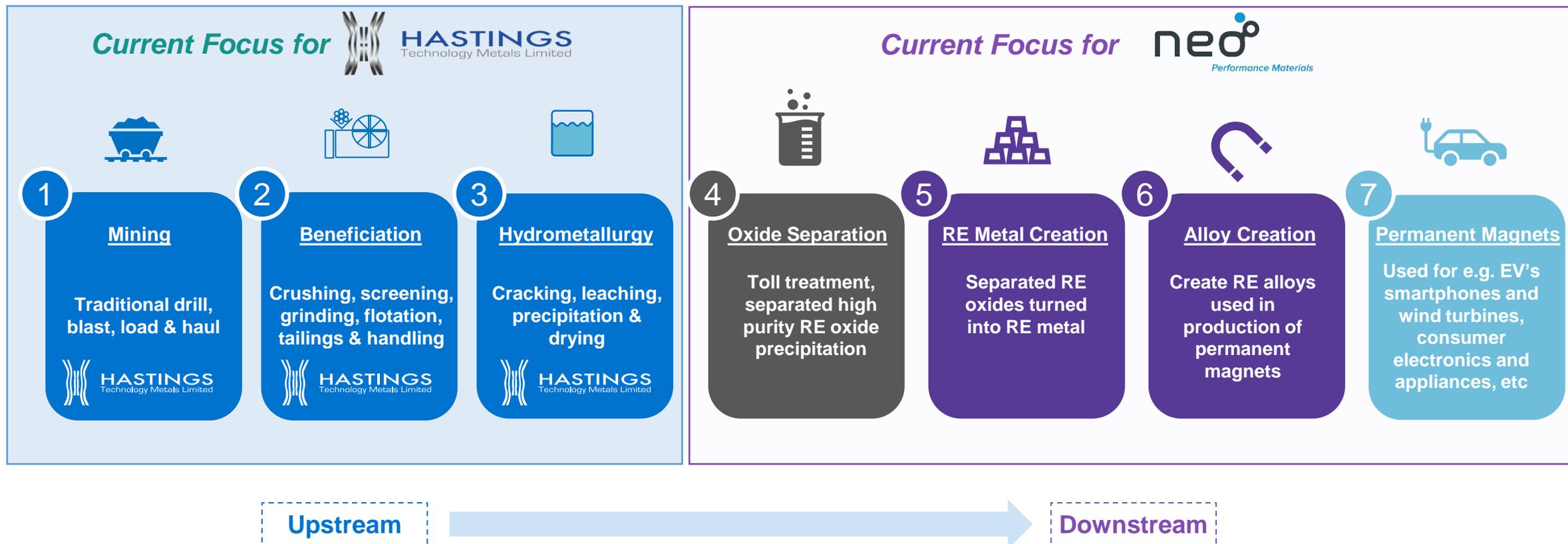
Proposed  
Neo Strategic  
Investment  
Overview



Appendix

# Mine-to-Magnet Value Chain

Hastings is focused on the delivery of the Yangibana Project. The proposed ~20% strategic investment in Neo<sup>1</sup> provides Hastings a platform to access the full mine-to-magnet supply chain

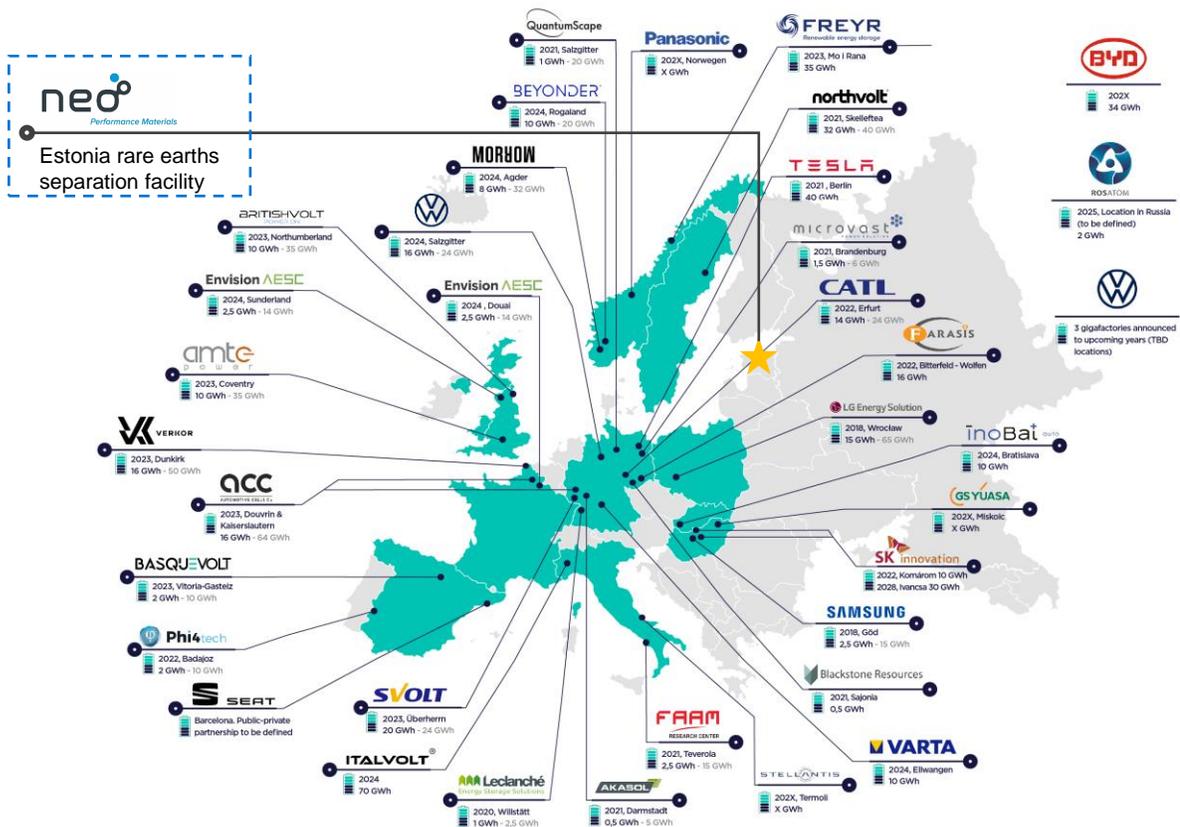


1. Refer ASX announcement "Agreement to acquire strategic shareholding in Neo Performance Materials and cornerstone investment in Hastings by Wyloo Metals" dated 26 August 2022

# 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 Gigafactories<sup>1</sup>



*“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”*

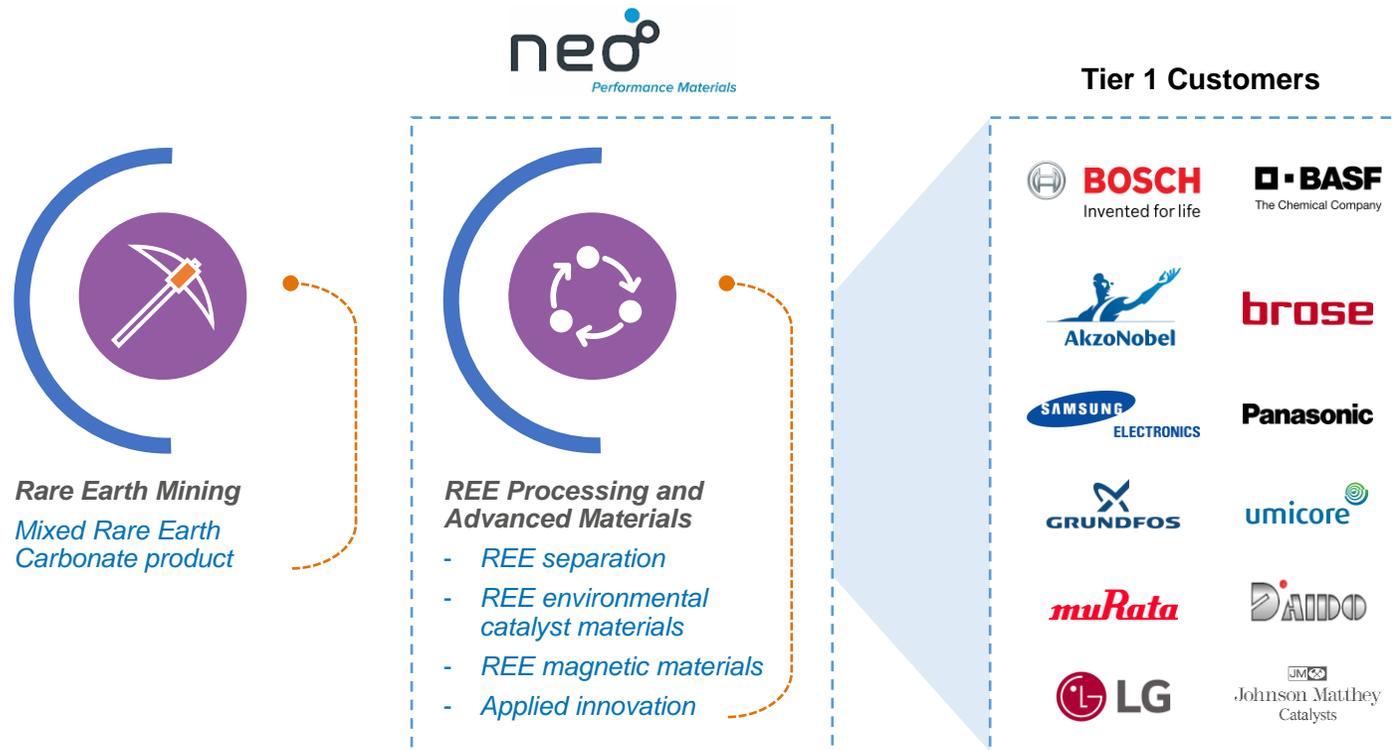
– Bernd Schäfer, CEO of EIT RawMaterials – the Innovation Community which manages the European Raw Materials Alliance

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

# Corporate Overview - neo<sup>o</sup>

Performance Materials

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



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

## Corporate snapshot (30 August 2022) TSX: NEO

Market Cap.

**C\$581m**

Share price (\$/s)

**C\$14.27**

52-week high: **C\$22.85**

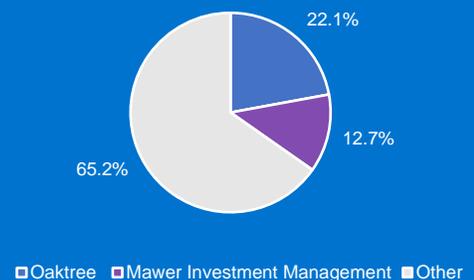
52-week low: **C\$10.84**

Shares on issue<sup>2</sup>

**40.7m**

~0.8% held by Board and Executive Leadership Team

Major shareholders<sup>2</sup>



Net cash / (debt)<sup>1,2</sup>

**US\$49.7m**

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)  
 2. As at 26 August 2022, NEO announced a \$67.5m capital raise on the 26<sup>th</sup> of August 2022 which is yet to complete – refer to TSX announcement 'Neo Performance Materials Announces \$67.5 Million Bought Deal Treasury Offering of Common Shares'

# Business Units Overview - **neo**<sup>o</sup>

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%)<sup>1,2</sup>

## 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%)<sup>1</sup>

## 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%)<sup>1</sup>

## 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

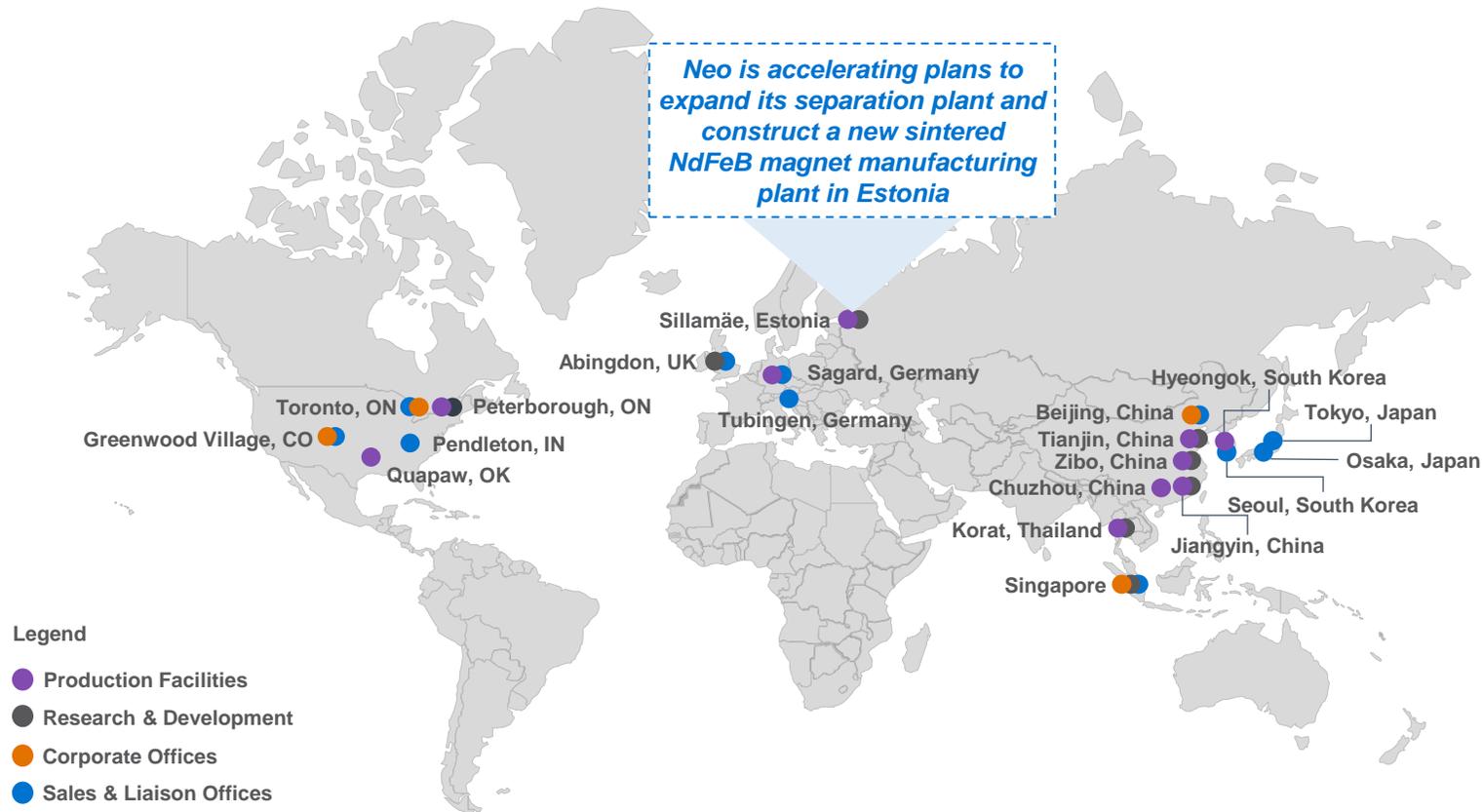


Source: Neo Performance Materials Q2 2021, Q4 2021 and Q2 2022 Financial Statements, Neo Performance Materials Q1 2022 Investor Presentation  
Notes: (1) LTM revenue calculated as of 30 June 2022. (2) Chemicals & oxides shown exclusive of inter-segment revenue.

# Global Operating Footprint - neo<sup>o</sup>

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, Thailand<sup>1</sup>
- Jiangxi Province, China<sup>1</sup>

## 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<sup>o</sup>

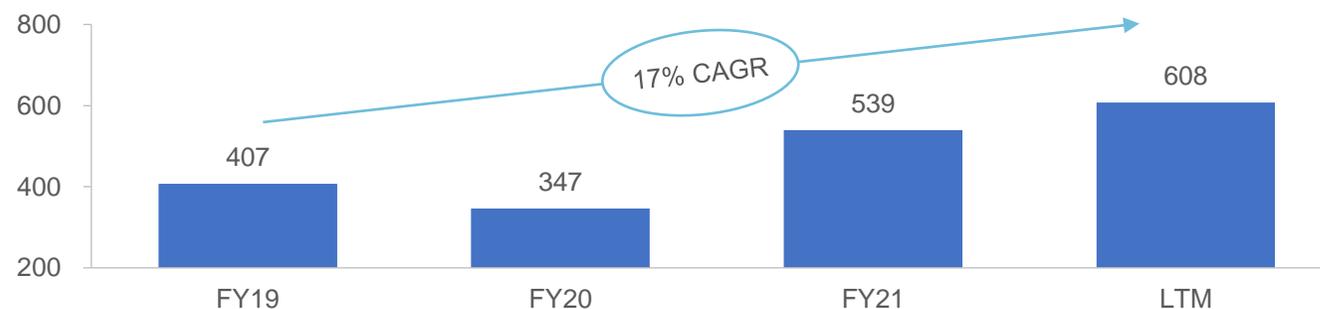
Performance Materials

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

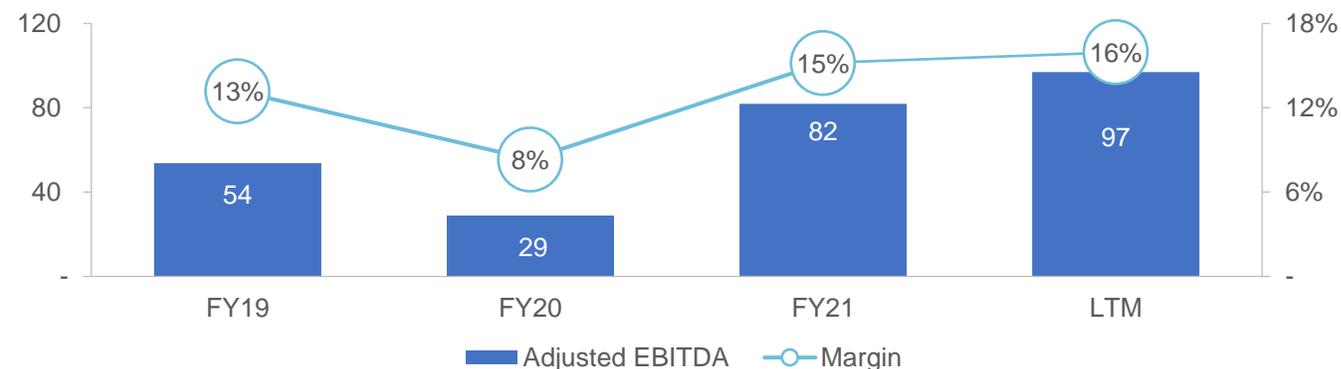
## Q2 FY22 Commentary<sup>1</sup>

- 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)<sup>1,2</sup>



## Adjusted EBITDA (US\$m) and Margin (%)<sup>1,2</sup>



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.



Investment  
Overview



Equity  
Raising  
Overview



Hastings &  
Yangibana  
Overview



Proposed  
Neo Strategic  
Investment  
Overview



Appendix



# Appendix A

## Yangibana Project Additional Materials

# Mineral Resources and Reserves

## Yangibana Project – Total JORC Mineral Resources <sup>(1)</sup>

AS AT 30 JUNE 2021

Category	Million Tonnes	%TREO	%Nd <sub>2</sub> O <sub>3</sub> +Pr <sub>6</sub> O <sub>11</sub>	TREO Tonnes
Measured	4.9	1.01	0.38	49,442
Indicated	16.24	0.95	0.33	154,750
<b>Sub-total</b>	<b>21.14</b>	<b>0.97</b>	<b>0.34</b>	<b>204,192</b>
Inferred	6.27	0.99	0.31	62,225
<b>TOTAL</b>	<b>27.42</b>	<b>0.97</b>	<b>0.33</b>	<b>266,417</b>

## Yangibana Project – Total JORC Ore Reserves as <sup>(2)</sup> <sup>(3)</sup>

AS AT 30 JUNE 2021

Deposit	Mt	%TREO	%Nd <sub>2</sub> O <sub>3</sub> +Pr <sub>6</sub> O <sub>11</sub>	Nd <sub>2</sub> O <sub>3</sub> +Pr <sub>6</sub> O <sub>11</sub> as % of TREO
Bald Hill	6.75	0.86	0.34	39
Fraser's	1.40	1.09	0.47	43
Simon's Find	1.72	0.57	0.30	52
Auer	2.07	0.96	0.35	35
Yangibana	1.39	0.79	0.37	47
Yangibana North	4.10	1.31	0.34	26
<b>TOTAL</b>	<b>17.42</b>	<b>0.95</b>	<b>0.35</b>	<b>38</b>

Category	Mt	%TREO	%Nd <sub>2</sub> O <sub>3</sub> +Pr <sub>6</sub> O <sub>11</sub>	%Nd <sub>2</sub> O <sub>3</sub> +Pr <sub>6</sub> O <sub>11</sub> as % of TREO
Proved	4.81	0.99	0.38	41
Probable	12.61	0.93	0.34	43
<b>TOTAL</b>	<b>17.42</b>	<b>0.95</b>	<b>0.35</b>	<b>38</b>

(1) Refer ASX announcement "Yangibana Project updated Measured and Indicated Mineral Resource Tonnes up by 54%, TREO oxides up 32%", dated 5 May 2021

(2) Refer ASX announcement "Yangibana Rare Earths Project Significant Ore Reserve Tonnes increase of 37%, NdPr Tonnes up 18% to 58Kt", dated 27 July 2021

(3) Refer ASX announcement "Hastings to Acquire 30% Yangibana Joint Venture Interest from Cadence Minerals Plc" dated 23 June 2022



# Project Overview

## Operational Fly Camp supporting early construction workforce



Figure 1. Yangibana Fly Camp



Figure 2. Yangibana Fly Camp



Figure 3. Permanent village site clearing at Yangibana

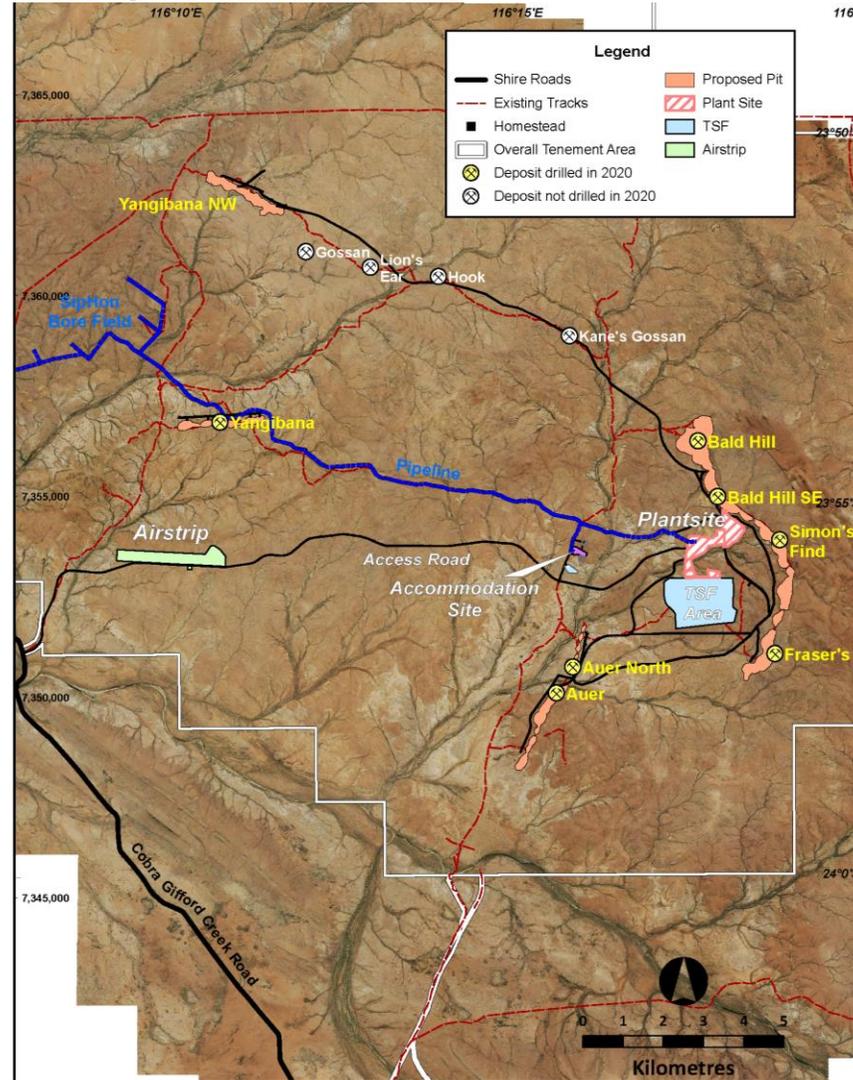


Figure 5. First blast initiated at Yangibana



Figure 6. First blast successfully completed and ready for excavation.



Figure 4. Turkeys nest for construction water



# MREC Concentrate – Product Composition

## High value rare earths

Approximately 90% of Yangibana's MREC concentrate revenue is high value NdPr

- High value Terbium and Dysprosium represent 5.6% of MREC concentrate revenue
- High value rare earth element concentrate compositions leads to Yangibana having a high basket price / high margin project

## Toll treatment of oxide separation

The MREC that is produced at Onslow will be packed in 1 tonne bulker bags, containerised up to 40' containers and exported to oxide separation facilities that currently operate in China, Vietnam and Thailand

- A toll treatment price through the facilities utilised in China, Vietnam and Thailand will be applied to separate the MREC concentrate into separate oxides

## Yangibana MREC Product Composition and Revenue split

RE composition	Name	Hastings MREC composition %	Current Prices (28 June 2022) (USD/kg)	LOM NdPr Revenue (USDm)	% Revenue
Y <sub>2</sub> O <sub>3</sub>	Yttrium oxide	0.6%	12.44	5	0.1%
CeO <sub>2</sub>	Cerium oxide	41.7%	1.24	125	1.8%
La <sub>2</sub> O <sub>3</sub>	Lanthanum oxide	11.2%	1.17	45	0.7%
Pr <sub>6</sub> O <sub>11</sub>	Praseodymium oxide	8.0%	144.96	856	12.4%
Nd <sub>2</sub> O <sub>3</sub>	Neodymium oxide	32.6%	144.96	3,307	47.8%
NdPr Oxide	Neodymium-Praseodymium oxide		139.80	2,063	29.8%
Sm <sub>2</sub> O <sub>3</sub>	Samarium oxide	3.3%	3.31	16	0.2%
Eu <sub>2</sub> O <sub>3</sub>	Europium oxide	0.7%	28.60	34	0.5%
Gd <sub>2</sub> O <sub>3</sub>	Gadolinium oxide	1.4%	79.93	67	1.0%
Tb <sub>4</sub> O <sub>7</sub>	Terbium oxide	0.1%	2,123.00	175	2.5%
Dy <sub>2</sub> O <sub>3</sub>	Dysprosium oxide	0.3%	372.46	219	3.1%
Ho <sub>2</sub> O <sub>3</sub>	Holmium oxide	0.0%	197.77	4	0.0%
Er <sub>2</sub> O <sub>3</sub>	Erbium oxide	0.0%	53.26	1	0.0%
Tm <sub>2</sub> O <sub>3</sub>	Thulium oxide	0.0%	0.00	0	0.0%
Yb <sub>2</sub> O <sub>3</sub>	Ytterbium oxide	0.0%	16.76	0	0.0%
Lu <sub>2</sub> O <sub>3</sub>	Lutetium oxide	0.0%	774.71	0	0.0%
<b>MREC Basket Price</b>		<b>US\$ per kg</b>	<b>\$64.95</b>		



# Appendix B

## Key Risks

# Key Risks

## Risk factors

You should be aware that being issued New Shares involves various risks. This section discusses some of the key risks associated with an investment in New Shares. A number of risks and uncertainties, which are both specific to and of a more general nature, may adversely affect the operating and financial performance or position of Hastings, which in turn may affect the value of New Shares and the value of an investment in Hastings.

The risks outlined below are not intended to be listed in order of importance and you should read all of this key risk section in its entirety. The risks and uncertainties described below are not an exhaustive list of the risks facing Hastings or associated with an investment in Hastings. Additional risks and uncertainties may also become important factors that adversely affect Hastings's operating and financial performance or position.

This document is not financial product advice and has been prepared without taking into account your investment objectives or personal circumstances. Before investing in New Shares, you should consider whether an investment in New Shares is suitable for you. Potential investors should consider publicly available information on Hastings (such as that available on the websites of Hastings and the ASX), carefully consider your personal circumstances and consult your stockbroker, solicitor, accountant or other professional adviser before making an investment decision.

## Hastings Specific Risks

### **Access to financial markets and project debt financing**

The Yangibana Rare Earths Project involves the construction of significant earthworks, supporting infrastructure and complex plants in remote locations. The completion of construction of the integrated plants will require significant capital investment, greater than the current market capitalisation of Hastings. The business of Hastings (and its subsidiaries) (the "Group") relies on future access to debt and equity funding. Hastings has engaged with various government lending organisations and export credit agencies in support of a project finance facility for a portion of the capital construction expenditures. Spot prices for rare earth products have experienced periods of significant volatility and as such there are limited traditional lending institutions willing to fund the construction of a rare earths project such as that proposed by Hastings. There can be no assurance that sufficient debt, equity or other forms of funding will be available to the Group (over any timeframe) on favourable terms or at all.

Failure to obtain additional funding may cause the Group to postpone any development plans, forfeit rights to some or all of its projects or reduce its operating structures, including staff and overhead levels, which may delay or suspend the Group's business strategy and could have a material adverse effect on the Group's activities or require the Group to dispose of or sell down an interest in its projects or assets.

### **Exploration, production and project development**

The future profitability of the Group, and the value of the New Shares are directly related to the results of exploration, development and production activities as well as costs and prices. Exploration, project development and production involves significant risk.

Exploration is a speculative endeavour with an associated risk of discovery of finding rare earths and other products in commercial quantities and risks associated with development of a project. No assurances can be given that funds spent on exploration and development (including front-end engineering and design work) will result in discoveries or projects that will be commercially viable. During each stage of a project's development there is a risk that capital expenditure estimates may increase.

Development and production of rare earths projects may be exposed to low side reserve outcomes, cost overruns, and production decreases or stoppage, which may be the result of commissioning, facility shutdowns, mechanical or technical failure, scheduling disruptions, technical risks and other unforeseen events. Construction issues or commissioning delays could result in the Group lowering reserve and production forecasts, loss of revenue, increased working capital requirements, and additional operating costs to restore production. In some instances, a loss of production may incur significant capital expenditure, which could require the Group to seek additional funding. The Group may fail to meet product quality requirements and material specifications required by buyers.

### **Metallurgy and Hydrometallurgy**

Testwork is used to develop the metallurgical and hydrometallurgical processes required to convert ore into final products. Scale up, technology and materials handling risks remain as the Group moves from development, to construction, commissioning and production. Product recoveries are dependent upon the metallurgical and hydrometallurgical processes, and by its nature contains elements of significant risk such as:

- developing and identifying metallurgical and hydrometallurgical processes through testwork to produce a saleable product;
- developing an economic process route to produce a saleable product; and
- changes in mineralogy in the ore deposit resulting in inconsistent product recovery, adversely affecting the economic viability of the project.



# Key Risks (continued)

## **Volatility of the price of rare earth elements**

Hastings' future revenue will be affected by market fluctuations in rare earth prices. This is because the product prices upon which Hastings will sell its MREC is calculated by pricing formulae that reference published pricing for various rare earths materials. The market prices have been volatile in the past because they are influenced by numerous factors and events that are beyond the control of Hastings. These include:

- **Supply side factors:** Supply side factors are a significant influence on price volatility for rare earth materials. Supply of rare earth materials is dominated by Chinese producers. The Chinese Central Government regulates production via quotas and environmental standards. Over the past few years, there has been significant restructuring of the Chinese market in line with China Central government policy. However, periods of over supply or speculative trading of rare earths can lead to significant fluctuations in rare earth pricing.
- **Demand side factors:** Demand side factors are also a significant influence on price volatility for rare earth materials. Demand for end products that utilise Hastings' rare earths including internal combustion vehicles, hybrid vehicles, electric vehicles and electronic devices fluctuates due to factors including global economic trends, regulatory developments and consumer trends.
- **Geopolitical Factors:** Recently rare earths have been the focus of significant attention, including as a result of the recent trade tensions between the US and China.

Strong rare earth prices, as well as real or perceived disruptions in supply, may create economic incentives to identify or create alternate technologies that ultimately could depress future long-term demand for rare earths. This may, at the same time, incentivise the development of additional mining projects to produce rare earths. If industries reduce their reliance on rare earth products, the resulting change in demand could have a material adverse effect on Hastings' business. In particular, if prices or demand for rare earths were to decline, this could impair Hastings' ability to obtain financing for current or additional projects and its ability to find purchasers for its products at prices acceptable to Hastings.

It is impossible to predict future rare earths price movements with certainty. Any sustained low rare earths prices or further declines in the prices of rare earths, including as a result of periods of over-supply and/or speculative trading of rare earths, will adversely affect Hastings' business, results of operations and its ability to finance planned capital expenditures, including development projects.

## **Capital Expenditure Validation**

Hastings has commenced a capital expenditure validation exercise with its EPCM contractor DRA Global. This exercise has been based on limited engineering design work and is intended to provide a current baseline capital cost for budgetary control purposes. There is a risk that final capital costs will vary from currently published estimates as a result of, including but not limited to, inflationary pressures, limited availability of personnel, logistic constraints, remote location of the project, limited availability of key contractors, limited availability of key equipment and current border restrictions in place.

## **Operating risks**

Industry operating risks include, but are not limited to, fire, explosions, environmental hazards, technical failures, unusual or unexpected geological conditions, adverse weather conditions, cyclones and other accidents. The occurrence of any of these risks could result in substantial losses to the Group due to injury or loss of life, damage to or destruction of property, natural resources, or equipment; pollution or other environmental damage; clean-up responsibilities; regulatory investigation and penalties; or suspension of operations. Damages occurring to third parties as a result of such risks may give rise to claims against the Group.

The occurrence of any of these circumstances could result in the Group not realising its operational or development plans or in such plans costing more than expected or taking longer to realise than expected. Any of these outcomes could have an adverse effect on the Group's financial and operational performance.

## **Reliance on key personnel and advisors**

The ability of the Group to achieve its objectives depends on the engagement of key employees, directors and external contractors that provide management and technical expertise.

If the Group cannot secure technical expertise (for example to carry out development activities) or if the services of the present management or technical team cease to be available to the Group, this may affect the Group's ability to achieve its objectives either fully or within the timeframes and the budget that it has forecast. Additionally, industrial disruptions, work stoppages and accidents in the course of operations may adversely affect the Group's performance.



# Key Risks (continued)

## **Reliance on third party infrastructure**

The Group will rely on third party transportation infrastructure in order to deliver its production to the market and incoming reagents and supplies to the Yangibana project site. Any delay or failure to access or properly maintain operating infrastructure or shared facilities may have a material adverse effect on the Group.

## **Nature of mining**

Mineral mining involves risks, which even with a combination of experience, knowledge and careful evaluation may not be able to be fully mitigated. Mining operations are subject to hazards normally encountered in exploration and mining. These include unexpected geological formations, rock falls, flooding, dam wall failure and other incidents or conditions which could result in damage to plant or equipment, which may cause a material adverse impact on Hastings' operations and its financial results. Projects may not proceed to plan with potential for delay in the timing of targeted output, and Hastings may not achieve the level of targeted mining output. Mining output levels may also be affected by factors beyond Hastings' control.

## **Acquisition risk**

Hastings has announced the execution of a binding share purchase agreement to acquire approximately 22% of the issued share capital of Neo Performance Materials Inc. (a TSX-listed company) from OPPS NPM SARL (the "Vendor"), a fund affiliated with Oaktree Capital Management, L.P. (the "Acquisition"). Completion of the Acquisition is conditional on Hastings shareholder approval for the issue of the Exchangeable Notes and on other customary Australian and Canadian regulatory approvals. There can be no certainty that these conditions will be satisfied or that the Acquisition will complete.

If Hastings does not obtain shareholder approval for the issue of the Exchangeable Notes and the share purchase agreement is terminated, or if Hastings otherwise materially breaches the share purchase agreement, Hastings will be required to pay a break fee of C\$5 million to the Vendor.

## **Exchangeable Notes execution and approval risk**

Hastings and Wyloo Metals (the "Noteholder") have entered into a binding subscription agreement for the issue of A\$150 million of exchangeable notes ("Exchangeable Notes"). The issue of the Exchangeable Notes is subject to the finalisation and execution of long form documentation and is conditional on Hastings shareholder approval, customary regulatory approvals from ASIC and ASX, and other customary conditions precedent. If long form documents are not finalised and executed with the Noteholder, or the conditions precedent are not satisfied or waived, the Exchangeable Notes will not be issued and the funds will not be raised.

## **Exchangeable Notes and debt financing risk**

Upon issue, the Exchangeable Notes will represent debt finance. Hastings may also enter into other debt finance arrangements in connection with the development of the Yangibana Rare Earths Project. This will mean that Hastings will be exposed to risks associated with gearing, including being exposed to movements in interest rates and being required to source capital in the case of redemption of the Exchangeable Notes or repayment of other debt facilities. An inability to refinance any outstanding debt will adversely affect the financial performance of Hastings. The Noteholder (and any other debt financier) may become entitled to demand immediate repayment of the Exchangeable Notes or outstanding debt (including accrued interest) if an event of default occurs on the part of Hastings. Such a demand may impact the solvency of Hastings, and/or Hastings' ability to develop the Yangibana Rare Earths Project. The occurrence of an event of default on part of Hastings will give the Noteholder the right to enforce its security over the shares in Neo Performance Materials Inc. that Hastings will acquire pursuant to the Acquisition (if completed).

## **Offtake risk**

Hastings has entered into multiple agreements with offtakers in respect of rare earths product from the Yangibana Rare Earths Project. A failure of the counterparties to the offtake agreements to take the contemplated quantities of product on the agreed terms or otherwise, whether or not in breach of the commitments, may adversely affect the revenue to be derived from the Yangibana Rare Earths Project.

In addition, there is no certainty that Hastings will be able to enter into additional offtake agreements in a timely manner, with acceptable parties, for sufficient volumes or on reasonable terms. An inability to enter into additional offtake arrangements on terms satisfactory to Hastings, or at all, or to give effect to existing offtake arrangements, could adversely impact Hastings ability to develop or sustain the Yangibana Rare Earths Project.



# Key Risks (continued)

## Reserves and resource estimates

No assurance can be given that the anticipated tonnages and grades of ore will be achieved during production or that the anticipated level of recovery will be realised. Mineral resource and ore reserve estimates are based upon estimates made by Hastings' personnel and independent consultants. Estimates are inherently uncertain and are based on geological interpretations and inferences drawn from drilling results and sampling analyses. There is no certainty that any mineral resources or ore reserves identified by Hastings will be realised, that any anticipated level of recovery of minerals will be realised, or that an identified ore reserve or mineral resource will be a commercially mineable (or viable) deposit which can be legally and economically exploited. Further, the grade of mineralisation which may ultimately be mined may differ materially from what is estimated. The quantity and resulting valuation of ore reserves and mineral resources may also vary depending on, amongst others, metal prices, cut-off grades and estimates of future operating costs (which may be inaccurate). Production can be affected by many factors. Any material change in the quantity of ore resources, mineral reserves, grade, or stripping ratio may affect the economic viability of any project undertaken by Hastings. Hastings' estimated mineral resources and ore reserves should not be interpreted as assurances of commercial viability or potential or of the profitability of any future operations. Hastings cannot be certain that its mineral resource and ore reserve estimates are accurate and cannot guarantee that it will recover the expected quantities of metals. Future production could differ dramatically from such estimates including for, but not limited to, the following reasons:

- actual mineralisation or rare earths grade could be different from those predicted by drilling, sampling, feasibility or technical reports;
- increases in the capital or operating costs of the mine;
- decreases in rare earth oxide prices;
- changes in the life-of-mine plan;
- the grade of rare earths may vary over the life of a Hastings project and Hastings cannot give any assurances that any particular mineral reserve estimate will ultimately be recovered; or
- metallurgical performance could differ from forecast.

The occurrence of any of these events may cause Hastings to adjust its mineral resource and reserve estimates or change its mining plans. This could negatively affect Hastings' financial condition and results of operations. Moreover, short-term factors, such as the need for additional development of any Hastings' project or the processing of new or different grades, may adversely affect Hastings. As a result, investors are cautioned not to place undue reliance on any estimates made by Hastings.

Changes in reserve or resource estimates could also impact the Group's ability to maintain its borrowing capacity with lenders.

## Native title

Hastings has entered into a voluntary native title agreement with the Thiin-Mah Warriyangka, Tharrkari and Jiwarli People (TMWTJ People) in respect of its Yangibana Rare Earths Project in Western Australia. Under the voluntary native title agreement, Hastings has agreed to certain financial and non-financial commitments to the TMWTJ People in return for their permission to undertake construction and operations on the Yangibana Rare Earths Project. Compliance with the terms of the voluntary native title agreement are pre-requisites to continued access to the project site.

Hastings is also subject to legislative and social responsibility commitments in relation to native title. Changes in these may impact the Group's operations and the value of the New Shares.

## Environmental

The Group's exploration, development and production activities are subject to social responsibility commitments and legislation regarding environmental matters. The social and legal framework governing this area is complex and constantly developing. There is a risk that the environmental regulations may become more onerous, making the Group's operations more expensive or cause delays. The Group may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past activities for which it was not responsible.

The Group's operations are subject to Western Australian and Commonwealth laws and regulations regarding environment including hazards and discharge of hazardous waste and materials. The mining and processing of Normally Occurring Radioactive Materials (NORM) and the disposal of radioactive waste is subject to additional laws and regulations regarding environmental matters. The cost of compliance with these laws and regulations may impact the cost of exploration, development, construction, operation of the production facilities and mine closure costs.

## Title/Land Tenure

Securing and maintaining tenure over mining tenements is critical to the future development of the Group's projects. All mining tenements that the Group may acquire either by application, sale and purchase or farm-in are regulated by the applicable state mining legislation. There is no guarantee that applications will be granted as applied for (although the Group has no reason to believe that tenements will not be granted in due course). Various conditions may also be imposed as a condition of grant. In addition, the relevant minister may need to consent to any transfer of a tenement to the Group.

Renewal of titles is made by way of application to the relevant department. There is no guarantee that a renewal will be automatically granted other than in accordance with the applicable state mining legislation. In addition, the relevant department may impose conditions on any renewal, including relinquishment of ground.

# Key Risks (continued)

## Legislative changes, government policy and approvals

Changes in government, monetary policies, taxation and other laws in Australia or internationally may impact the Group's operations and the value of the New Shares. The Group requires government regulatory approvals for its operations. The impact of actions, including delays and inactions, by state, local shire and federal governments may affect the Group's activities including such matters as access to lands and infrastructure, compliance with environmental regulations, production and exploration activities. This may from time to time affect timing and scope of work to be undertaken. No guarantee can be given that all necessary permits, authorisations, agreements or licences will be provided to the Group by government bodies, or if they are, that they will be renewed.

## Access

There is a substantial level of regulation and restriction on the ability of exploration and mining companies to have access to land in Australia. Negotiations with both native title holders and landowners / occupiers are generally required before gaining access to land for exploration and mining activities. Inability or delays in gaining such access may adversely impact Hastings' ability to undertake its proposed activities. Hastings may need to enter into compensation and access agreements before gaining access to land.

## Communicable disease outbreaks

The outbreak of communicable diseases around the world (such as the novel coronavirus COVID-19) may lead to interruptions in operations, exploration, development and production activities, inability to source supplies or consumables and higher volatility in the global capital markets and price of rare earth elements or demand for the Group's product, which may materially and adversely affect the Group's business, financial condition and results of operations.

In addition, such outbreaks may result in restrictions on travel and public transport and prolonged closures of facilities or other workplaces that may have a material adverse effect on the Group and the global economy more generally. Any material change in the Group's operating conditions, the financial markets or the economy as a result of these events or developments may materially and adversely affect the Group's business, financial condition and results of operations.

## Occupational health and safety

Exploration and production activities may expose the Group's staff and contractors to potentially dangerous working environments. Occupational health and safety legislation and regulations differ in each jurisdiction. If any of the Group's employees or contractors suffers injury or death, compensation payments or fines may be payable and such circumstances could result in the loss of a licence or permit required to carry on the business. Such an incident may also have an adverse effect on the Group's business (including financial position) and reputation.

## Third party risk

The Group will rely significantly on strategic relationships with other entities and also on a good relationship with regulatory and government departments and other interest holders. The Group will also rely on third parties to provide essential contracting services. There can be no assurance that its existing relationships will continue to be maintained or that new ones will be successfully formed. The Group could be adversely affected by changes to such relationships or difficulties in forming new ones.

## Competition

Hastings will compete with other companies, including major mining companies in Australia and internationally. Some of these companies will have greater financial and other resources than Hastings and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that Hastings can compete effectively with these companies.

## Insurance

Insurance of all risks associated with mineral exploration and production is not always available and, where available, the cost can be high. Hastings maintains insurance within a coverage range that it considers to be consistent with industry practice and appropriate for its needs. The occurrence of an event that is uninsurable, not covered, or only partially covered by insurance could have a material adverse effect on Hastings' business and financial position.

## Shareholder approval risk

Issue of New Shares under Tranche 2 of the Placement requires shareholder approval and the issue of New Shares under the SPP require shareholder take-up of the SPP. There is a risk that the Company's shareholders do not approve Tranche 2 of the Placement which would result in the Company not raising a significant portion of the proceeds under the Placement. This would mean Hastings would need to seek alternative sources of finance prior to commencing construction of the beneficiation hydrometallurgical plants, which could have an adverse effect on the Hastings share price. Also, certain transaction costs in relation to the Placement (including in respect of Tranche 2), such as legal and advisory fees, will still be payable by Hastings.

## Climate change risk

Climate change is a risk the Group has considered, particularly related to its operations over the short, medium and long term under different scenarios. The climate change risks particularly attributable to the Group include:

- the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Group may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions. These examples sit amongst an array of possible restraints on industry including market pressures, technological change and societal pressures that may further impact the Group and its profitability. While the Group will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Group will not be impacted by these occurrences; and
- climate change may cause certain physical risks that cannot be predicted by the Group, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns.

All these risks associated with climate change may significantly change the industry in which the Group operates.



# Key Risks (continued)

## Force majeure

The Group's projects now or in the future may be adversely affected by risks outside the control of the Group, including fires, labour unrest, civil disorder, war, subversive activities or sabotage, floods, pandemics, explosions or other catastrophes, epidemics or quarantine restrictions.

## Financial risks

The Group's activities expose it to a variety of financial risks, including:

- **Market risk:** The risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices interest rate risk, price risk, credit risk and liquidity risk (maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities). The Group's future activities will be subject to volatility and fluctuations in those particular areas.
- **Foreign exchange/currency risk:** The Group operates internationally and is exposed to foreign exchange risk arising from currency exposures with respect to changes in foreign exchange rates. The Group's future commercial transactions include product sales, capital expenditure, purchase of foreign sources inputs and debt facilities. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency.
- **Interest rate and credit risk:** This relates to the risk that interest rates applicable to the Group may fluctuate and have an impact on the value of the Group's assets and liabilities or that a counterparty may default on its obligations to the Group.
- **Liquidity risk:** This relates to the ability of the Group to maintain sufficient cash and the availability of funding through an adequate amount of committed credit facilities to support the Group's operations

## Risks as to forecasts

Hastings has prepared operating cash costs, future production targets and revenue profiles for its future operations at the project. These forecasts, although considered to have reasonable grounds, may be adversely affected by a range of factors including: mining, processing and loading equipment failures and unexpected maintenance problems; limited availability or increased costs of mining, processing and loading equipment and parts and other materials from suppliers; mine safety accidents; adverse weather and natural disasters; and a shortage of skilled labour. If any of these other conditions or events occur in the future, they may increase the cost of mining or delay or halt planned commissioning, ramp up and production, which could adversely affect Hastings' results of operations or decrease the value of Hastings' assets. Hastings has in place a framework for the management of operational risks and an insurance program that provides coverage for a number of these operating risks. However, any unforeseen increases in capital or operating costs of the project could have an unexpected adverse impact on Hastings' future cash flows, profitability, results of operations and financial condition. No assurance can be given that Hastings' estimates will be achieved or that Hastings will have access to sufficient capital to develop the project due to an increase in capital and operating cost estimates.

## Data and information technology

The Group's computer systems are subject to risks of unauthorised access, computer hackers, computer viruses, malicious code, organised cyber-attacks and other security problems and system disruptions, including possible unauthorised access to proprietary or classified information. Any of these events could damage the Group's reputation and have a material adverse effect on its business, reputation, results of operations and financial condition. There is also a risk that the Group's systems for capturing data and intellectual property for project development are ultimately not effective.



# Key Risks (continued)

## Underwriting Risk

Hastings has entered into an underwriting agreement with Canaccord Genuity (Australia) Limited ("Canaccord") and Barrenjoey Markets Pty Limited ("Barrenjoey") (together, the "Joint Lead Managers") who have agreed to fully underwrite the Placement (excluding the Chairman's List) on the terms and conditions of the underwriting agreement (the "Underwriting Agreement").

A key condition precedent to Joint Lead Managers obligations regarding the Tranche 1 Placement Shares is Hastings' timely delivery of sign-offs confirming compliance with the Underwriting Agreement and the accuracy of its representations and warranties. Other conditions considered standard include, in respect of the Joint Lead Managers' obligations regarding the Tranche 2 Placement Shares, that all shareholder approvals for the issue of the Tranche 2 Placement Shares (including at Hastings' planned EGM) are obtained.

The Underwriting Agreement may be terminated by either of the Joint Lead Managers on the occurrence of certain events, which would release the relevant Joint Lead Manager from its obligations under it and, subject to any election by the non-terminating Joint Lead Manager to assume those obligations, may result in the complete termination of the Underwriting Agreement.

The key termination events are summarised below and include (amongst others) any of the following events occurring between the date of the Underwriting Agreement and the settlement date of the Tranche 2 Placement Shares (unless such other time is specified below):

- a) a material adverse change occurs;
- b) Hastings is in breach of the Underwriting Agreement or any of its representations or warranties in the Underwriting Agreement are untrue or incorrect;
- c) any event in the Placement timetable is delayed by two business days (if the event occurs before the Tranche 1 Placement Share allotment date) or three business days (if the event occurs after this date but before Tranche 2 Placement Share allotment date) in each case, without the consent of the Joint Lead Managers;
- d) the ASX/S&P 200 closes, at a level 12.5% or more below its level on the ASX trading day immediately prior to the date of the Underwriting Agreement, on:
  - any business day prior to the settlement date of the Tranche 1 Placement Shares;
  - three consecutive business days during any time after the settlement date of the Tranche 1 Placement Shares; or
  - the business day immediately preceding the settlement date of the Tranche 2 Placement Shares;
- e) the listed "Neodymium Oxide 99.5%min FOB China USD/mt" as quoted by Asian Metals ([www.asianmetal.com](http://www.asianmetal.com)) closes, at a level that is:
  - 10% or more below its level at market close on the business day immediately prior to the date of the Underwriting Agreement, for three consecutive business days between the date of the Underwriting Agreement and the date on which confirmation letters for the Tranche 1 Placement are circulated by the Joint Lead Managers (Allocation Date); or
  - 17.5% or more below its level at market close on the business day immediately prior to the date of the Underwriting Agreement, for three consecutive business days between the Allocation Date and the settlement date of the Tranche 2 Placement Shares or on the business day immediately preceding the settlement date of the Tranche 2 Placement Shares;
- f) the ASX indicates that Hastings will be suspended or removed from quotation or that quotation of all of the Placement shares will not be granted;
- g) a statement in the offer materials released to the ASX is or becomes false, misleading or deceptive (or likely to mislead or deceive);
- h) Hastings changes its capital structure (other than as contemplated by the Offer) without the consent of the Joint Lead Managers; or
- i) a change of senior management or the board of directors occurs or is announced without the consent of the Joint Lead Managers (other than as a result of the exercise of certain rights under the exchangeable notes announced to ASX on 26 August 2022).

A number of these events will only give rise to a termination right where a materiality threshold (as outlined in the Underwriting Agreement) is satisfied.

If the Underwriting Agreement is terminated, Hastings may not be able to place all of the Tranche 2 Placement Shares to raise the full amount contemplated, which may delay Hastings' planned schedule unless further funds are raised or otherwise materially adversely affect Hastings' business, cash flow and financial condition. In this event, Hastings may be required to source funding by alternative means, which may result in additional costs (for example, by way of interest payments on debt) and/or restrictions being imposed on the manner in which Hastings may conduct its business and deal with its assets (for example, by way of restrictive covenants binding upon Hastings).



# Key Risks (continued)



## **General Risks**

### **Potential for dilution**

A shareholder's percentage holding in the Company will be diluted by not participating in the Placement (which will include all retail shareholders and those institutional shareholders who do not participate in the Placement). Depending on their level of participation, some shareholders may also be diluted by the SPP.

It is not possible to predict what the value of the Company or its shares will be following the completion of the equity raising and the Directors do not make any representation as to such matters. The historical trading price of the shares on ASX prior to this equity raising is not a reliable indicator as to the potential trading price of shares after completion of the equity raising.

### **General market and share price**

There are general risks associated with investments in equity capital such as the New Shares. The trading price of the New Shares may fluctuate with movements in equity capital markets in Australia and internationally. Generally applicable factors which may affect the market price of shares include:

- general movements in Australian and international stock markets;
- investor sentiment;
- Australian and international economic conditions and outlook;
- commodity prices;
- changes in interest rates and the rate of inflation;
- changes in government legislation and policies, including taxation laws and foreign investment legislation;
- announcement of new technologies; and
- geo-political instability, including international hostilities and acts of terrorism.

Further, the effect of these conditions on the Group's ability to obtain new debt financing, and the terms on which any such financing can be obtained, is uncertain. If these conditions result in the Group being unable to obtain new debt financing, or to do so on reasonable terms, this may have an adverse impact on its financial position, financial performance and/or share price. The Group's operational and financial performance and the position of the Company's share price may be adversely affected by a worsening of international economic and market conditions and related factors. It is also possible that new risks might emerge as a result of global markets experiencing extreme stress, or existing risks may manifest themselves in ways that are not currently foreseeable.

### **Speculative investment**

The above list of risk factors ought not to be taken as an exhaustive list of the risks faced by the Group or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Group and the value of the New Shares offered under the equity raising. An investment in the Company is speculative and investors should consult their professional adviser before applying for or disposing of New Shares.

### **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

### **Taxation**

The disposal of New Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All investors are urged to obtain independent financial advice about the consequences of disposing of New Shares from a taxation viewpoint and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of acquiring or disposing of New Shares under this equity raising.

### **Dilution**

The issue of additional share capital by Hastings will result in the dilution of existing shareholders. The issue of the Exchangeable Notes may result in the issue of a substantial number of Shares in Hastings to the Noteholder (upon the election of the Noteholder) which would result in material dilution of existing shareholders.



# Appendix C

## International Offer Jurisdictions

# International Offer Restrictions



This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

## Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces"), only to persons to whom New Shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not a prospectus, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons who are "accredited investors" within the meaning of National Instrument 45-106 – Prospectus Exemptions, of the Canadian Securities Administrators.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of the New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and received by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission. Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as there are Canadian tax implications for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

## European Union

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

## Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

# International Offer Restrictions (continued)

## Malaysia

This document may not be distributed or made available in Malaysia. No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of New Shares. The New Shares may not be offered, sold or issued in Malaysia except pursuant to, and to persons prescribed under, Schedules 6 and 7 of the Malaysian Capital Markets and Services Act.

## New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

## Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) an "accredited investor" (as defined in the SFA). If you are not an investor falling within one of these categories, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland.



# International Offer Restrictions (continued)

## United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

## United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The New Shares will only be offered and sold in the United States to:

- institutional accredited investors (within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) and (12) under the US Securities Act); and
- dealers or other professional fiduciaries organized or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons and for which they exercise investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.



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