



ASX Announcement

2 February 2022

NAIF approves \$140m loan for Yangibana Rare Earths Project

Highlights

- Northern Australia Infrastructure Facility (NAIF) approves \$140 million loan facility with 12½-year tenor, subject to pre-completion conditions.
- NAIF loan is a critical component of the Yangibana Rare Earths Project funding strategy underpinning finalisation of remaining funding requirements.
- Yangibana is the first Australian rare earths project to receive NAIF funding.
- First drawdown expected to occur in early 2023, aligned to Yangibana funding schedule.
- NAIF loan forms part of A\$300-400 million of total debt financing required for Yangibana.
- Yangibana early works construction and design for long-lead items underway in anticipation of plant construction commencing in September 2022 Quarter.
- Hastings is fostering a lower carbon future and renewable energy solutions through the Yangibana rare earths project

Australia's next rare earths producer Hastings Technology Metals Ltd (**ASX: HAS**) (**Hastings** or the **Company**) is pleased to announce that it has received approvals for a significant portion of the debt package required to fund construction of the Yangibana Rare Earths Project (**Yangibana**), in the Gascoyne region of Western Australia.

The Federal Government's Northern Australia Infrastructure Facility (**NAIF**) has agreed to supply a A\$140 million, 12½-year tenor loan facility for the development of Yangibana. The loan has been approved by the NAIF Board and endorsed by the Federal Minister for Northern Australia, the Honourable David Littleproud.

The NAIF loan forms part of the A\$300-400 million of total debt funding required for Yangibana and is aligned with Australia's Critical Minerals Strategy and the Western Australian Government's Future Battery Industry Strategy. The Yangibana project, which comprises a mine and beneficiation plant at the Yangibana site and a hydrometallurgical plant at the Ashburton North Strategic Industrial Area (**ANSIA**) near Onslow, will become Australia's second rare earths producer and expands the country's strategic capability in downstream processing of rare earths minerals.

The Federal Government's commitment to Yangibana comes at a significant inflexion point for the global rare earths sector amid a drive by rare earths magnet-end users to secure responsible and reliable sources of supply. The increased demand from electrification of transport through EVs and the decarbonisation of the energy sector through wind turbines has created pressure for new supply sources to be brought online rapidly. The mixed rare earths carbonate ("MREC") produced by the Yangibana Project will meet approximately 6-8% of global demand for the critical minerals of neodymium and praseodymium used in the manufacture of permanent magnets. It will help to position Australia as a strategic partner for the long-term supply of critical minerals necessary to ensure world-wide decarbonisation.

Yangibana is endowed with the world's highest composition of neodymium and praseodymium and is located in the Tier 1 mining jurisdiction in Western Australia. Hastings has commenced early site works at Yangibana and recently received Commonwealth environmental approvals to develop the hydrometallurgical plant site at ANSIA near Onslow. Hastings expects to complete supporting infrastructure activities at Yangibana by the middle of this year in advance of commencing construction of the beneficiation plant in conjunction with the hydrometallurgical plant.

Yangibana will support a peak construction workforce of nearly 500 in the Upper Gascoyne and Lower Pilbara regions of Western Australia and create more than 250 steady state operational jobs during the initial 15-year mine life. Significant public benefits to the Gascoyne region will be delivered through commitments Hastings is making with regards to local employment and business opportunities, upgrading of roads and installation of common communications infrastructure.

Commenting on NAIF's loan approval, Hastings Technology Metals Executive Chairman Charles Lew said:

"Hastings is delighted to have received the Federal Government's support, through the Northern Australia Infrastructure Facility, for the Yangibana rare earths project. This is the Commonwealth's first project financing package for the construction of a rare earth mine and production plant in Australia and supports the rapid development worldwide of decarbonisation technologies in e-mobility and energy. In view of the UN Climate Change Conference (COP26) held in November 2021, Hastings is proud to be at the forefront of this significant global transition to a lower carbon future and aims to be a part of the global efforts towards sustainability."

"The commitment by NAIF will enable Hastings to finalise the funding requirements for Yangibana's development and move into full-scale construction throughout 2022, with the objective of delivering first production by 2024. Yangibana is an amazing rare earths opportunity that will supply the world's highest composition neodymium and praseodymium concentrate to Tier 1 customers in Europe and Asia."

"This is an exciting time not just for Hastings but for Australia's emerging rare earths sector. We look forward to finalising the funding arrangements that will enable the Hastings Board to make a final investment decision in the coming months."

Hastings will now seek to finalise the debt package required to fully fund construction with the remaining financial institutions actively engaged in the project finance process. Hastings will further update the market when the process is completed.

One of the key conditions prior to drawdown requires Hastings to fund its equity portion in order to access the project finance package from the lender consortium. As previously outlined, the NAIF loan forms part of the A\$300-400 million of total debt funding required for Yangibana. Once the current capital expenditure validation exercise is completed, Hastings will update the market on the balance of funding required for construction and commissioning. In addition, loan documentation and normal conditions precedent for a loan of this nature will need to be met prior to accessing the project finance package.

KPMG Corporate Finance is acting as project finance adviser and Herbert Smith Freehills as legal adviser to Hastings in relation to the project finance package.

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

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About Hastings Technology Metals Limited

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

Hastings' flagship Yangibana project, in the Gascoyne region of Western Australia, contains one of the most highly valued NdPr deposits in the world with NdPr:TREO ratio of up to 52%. The site is permitted for long-life production and with offtake contracts signed and debt finance in advanced stage. Construction is scheduled to take 24 months from Q3 2022.

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

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

About NAIF

The Northern Australia Infrastructure Facility (NAIF) is a Commonwealth Government A\$5 billion lending facility to finance project via the governments of the Northern Territory, Queensland and Western Australia to achieve growth in the economies and population of northern Australia and encourage and complement private sector investment.

Projects supported by NAIF are diversified across sectors including ports, airports, tourism, education, agriculture resources and renewable energy.

Every NAIF project will support important Indigenous engagement with many projects committing to Indigenous employment or procurement targets. More information is available at <http://www.naif.gov.au/>.