



Yangibana Project – Begin the Future

Disclaimer



All currency amounts are in A\$ unless stated otherwise.

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Exploration Targets

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

Competent Persons' Statement

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

The information in this announcement that relates to Mineral Resources is based on information compiled by Lynn Widenbar. Mr. Widenbar is an independent consultant to the Company and a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Widenbar has 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"). Consents to include statements in this announcement have been provided in previous announcements entitled "Final 2017 JORC Resource Update Including Auer and Auer North Results" dated 22nd November 2017; "Yangibana Project Resources Now Exceed 20.5 Million Tonnes" dated 12th October 2017; "Another Major Increase In JORC Resources From Current Yangibana Drilling" dated 24th July 2017 and "Increase in Measured and Indicated Resources at Yangibana Project" dated 22nd November 2018

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

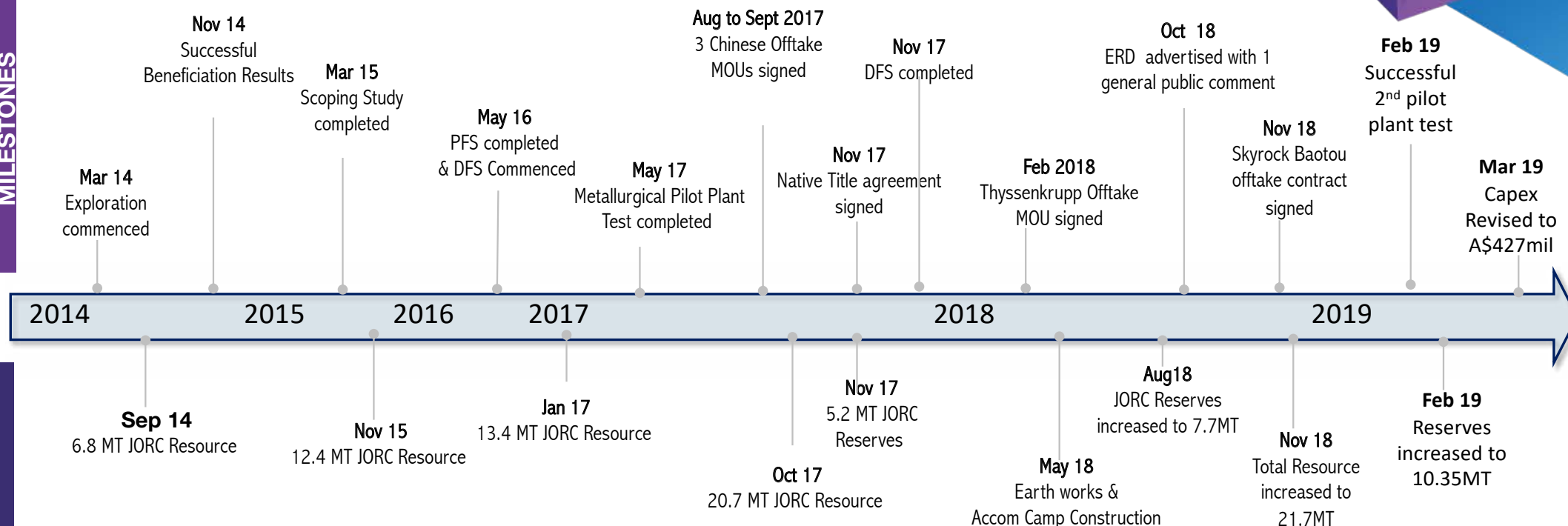
The scientific and technical information in this presentation that relates to process metallurgy is based on information reviewed by Ms. Narelle Marriott (Principal Engineer – Beneficiation and Mr. Zhaobing (Robin) Zhang (Process Engineering Manager) of Hastings Technology Metals Limited. Both Ms. Marriott and Mr Zhang are members of the AusIMM. Each 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 and Mr Zhang consent to the inclusion in this announcement of the matters based on their information and in the form and context in which it appears

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Yangibana Development History

PROJECT MILESTONES



RESERVE & RESOURCE UPGRADES

Yangibana Project Site



Exploration Drilling



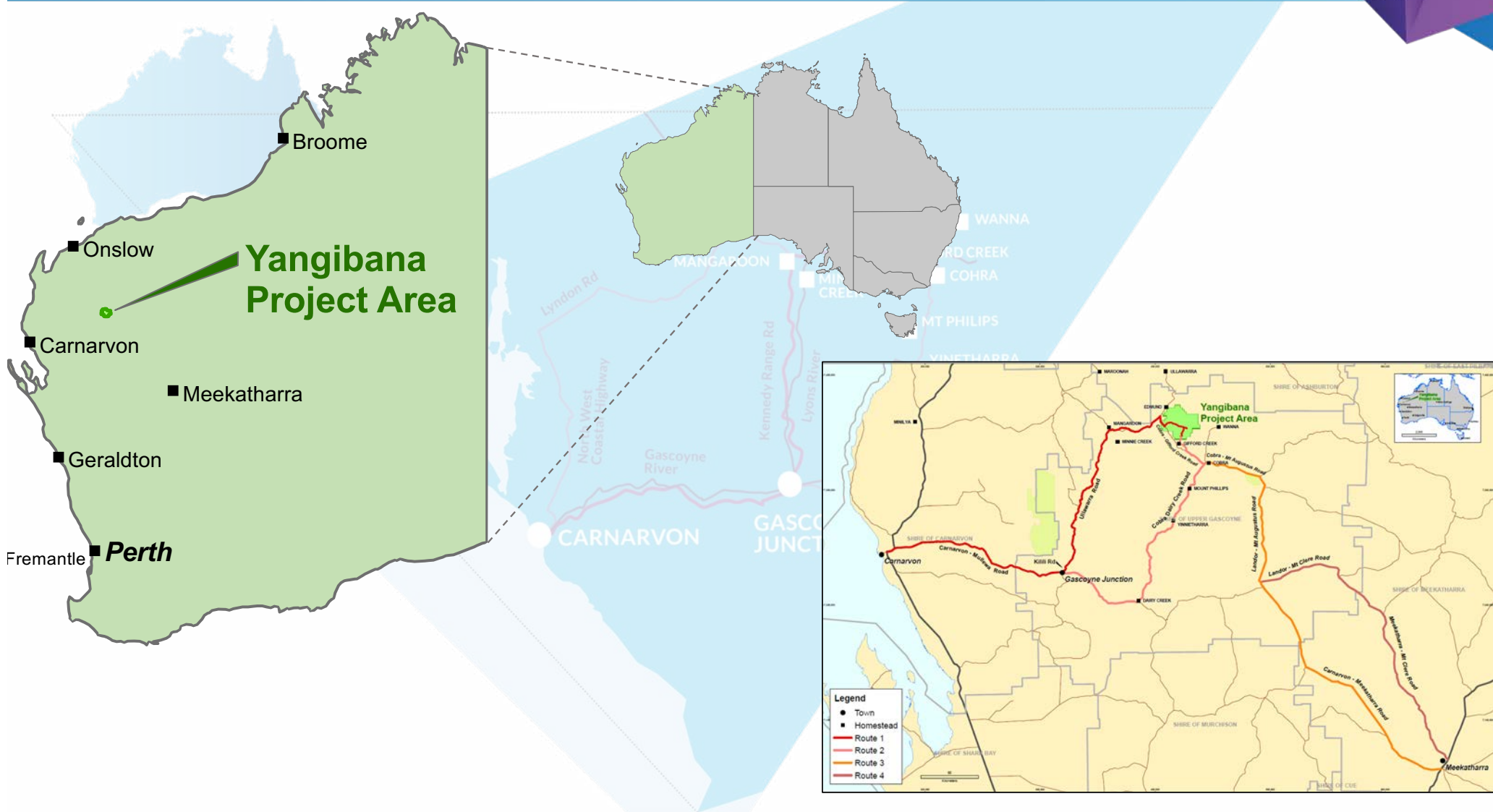
Accommodation Village



Investment Attraction – Why Hastings?

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

Site Overview



Resources and Reserves

Mineral Resources	Tonnes (Mt)	TREO %	$\text{Nd}_2\text{O}_3 + \text{Pr}_6\text{O}_{11}$ %
Measured	4,727,000	1.17	0.42
Indicated	8,652,000	1.24	0.41
Inferred	8,294,000	1.09	0.36
TOTAL	21,673,000	1.17	0.39
Ore Reserves	Tonnes (Mt)	TREO %	$\text{Nd}_2\text{O}_3 + \text{Pr}_6\text{O}_{11}$ %
Probable	10,345,000	1.22	0.43
Final Product	MREC (tpa)	TREO %	$\text{Nd}_2\text{O}_3 + \text{Pr}_6\text{O}_{11}$ %
	~15,000	>58.00	20*
		Recovery	~ 76%

* 34.2% is average ratio of $\text{Nd}_2\text{O}_3 + \text{Pr}_6\text{O}_{11}$ for LOM, the $\text{Nd}_2\text{O}_3 + \text{Pr}_6\text{O}_{11}$ ratio is 40% to 42% for the first five years production.

Yangibana Advantage – Highest Nd-Pr ratio

**Comparison of REO Distribution & Basket Value
Between Hastings and Major Light RE Producers**

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

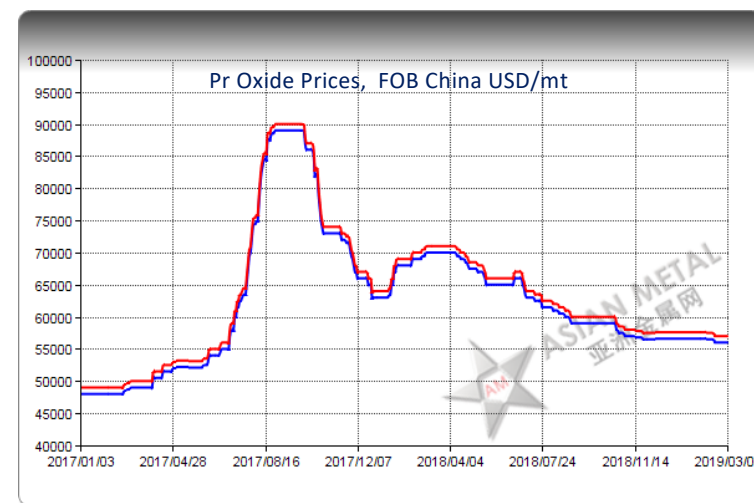
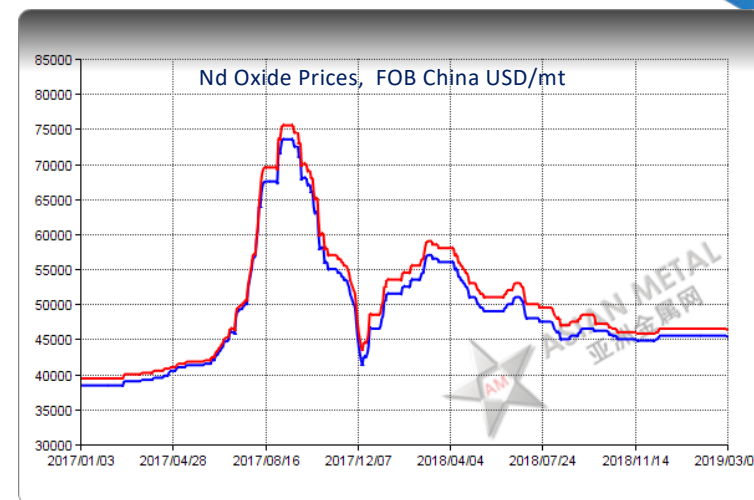
- Nd-Pr /TREO composition is validated by customers in the MREC
- Economic Value Factor calculated on individual % of REE in the ore body x REO prices
- Yangibana: high Nd-Pr content of 41%
- Last 12 mths avg basket price - USD25.00

Spot Prices of Rare Earth Oxides (6 Mar 2019)

China F.o.B. Export prices 06-03-2019 (USD/kg) & YTD change

Lanthanum oxide	La ₂ O ₃	\$ 2.0	0 %
Cerium oxide	CeO ₂	\$ 2.0	0 %
Praseodymium oxide	Pr₆O₁₁	\$ 57.00	- 1 %
Neodymium oxide	Nd₂O₃	\$ 46.50	0 %
Dysprosium oxide	Dy₂O₃	\$ 183.00	+ 3 %
Terbium oxide	Tb₄O₇	\$ 438.00	+ 1 %
Samarium oxide	Sm ₂ O ₃	\$ 1.92	- 3 %
Europium oxide	Eu ₂ O ₃	\$ 39.80	0 %
Erbium oxide	Er ₂ O ₃	\$ 23.00	0 %
Holmium oxide	Ho ₂ O ₃	\$ 44.00	- 9 %
Lutetium oxide	Lu ₂ O ₃	\$ 619.00	0 %
Yttrium oxide	Y ₂ O ₃	\$ 2.80	0 %

Source: ASIAN METAL 06 Mar 2018



Site Overview

Location 200kms north of Gascoyne Junction

Mining Method Open Pit

Minerals Rare Earths

Mineralisation Type Iron stone

Plant Capacity 1.0 Mtpa

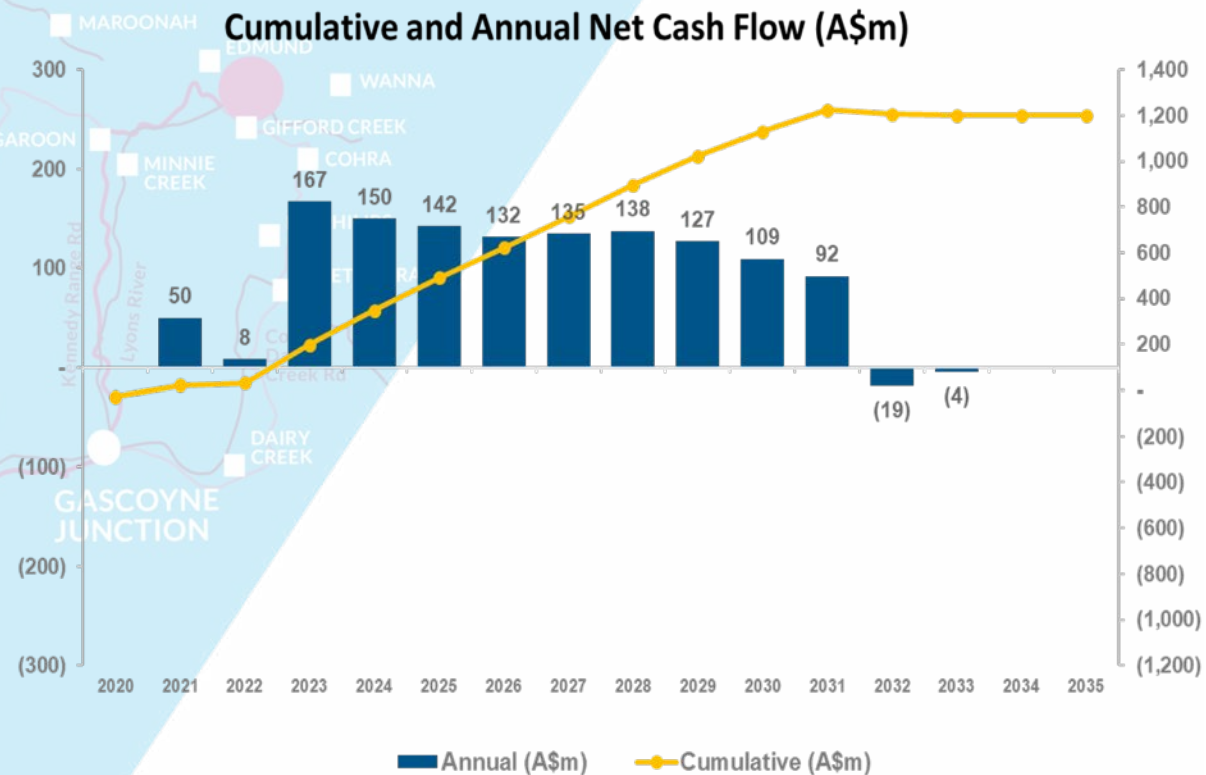
Process method SAG Mill flotation front end
Kiln – Hydromet back end

Overall Recovery ~ 76%

Mineral Resources 21.67Mt @ 1.17% TREO for 254kt TREO

Ore Reserves 10.35Mt @ 1.22% TREO for 127kt TREO

Workforce 250-300 (FIFO)



Mine Economics

Net Present Value **\$447 million**

Internal Rate of Return **28%**

Project Payback **2.6 years**

Capital cost **\$427 million**

Average annual free cash flow (pre tax) **\$ 137 million**

Mining Production **1.0 Mtpa**

Mine Life **11 years**

Annual (MREC) production **~15,000 tpa**

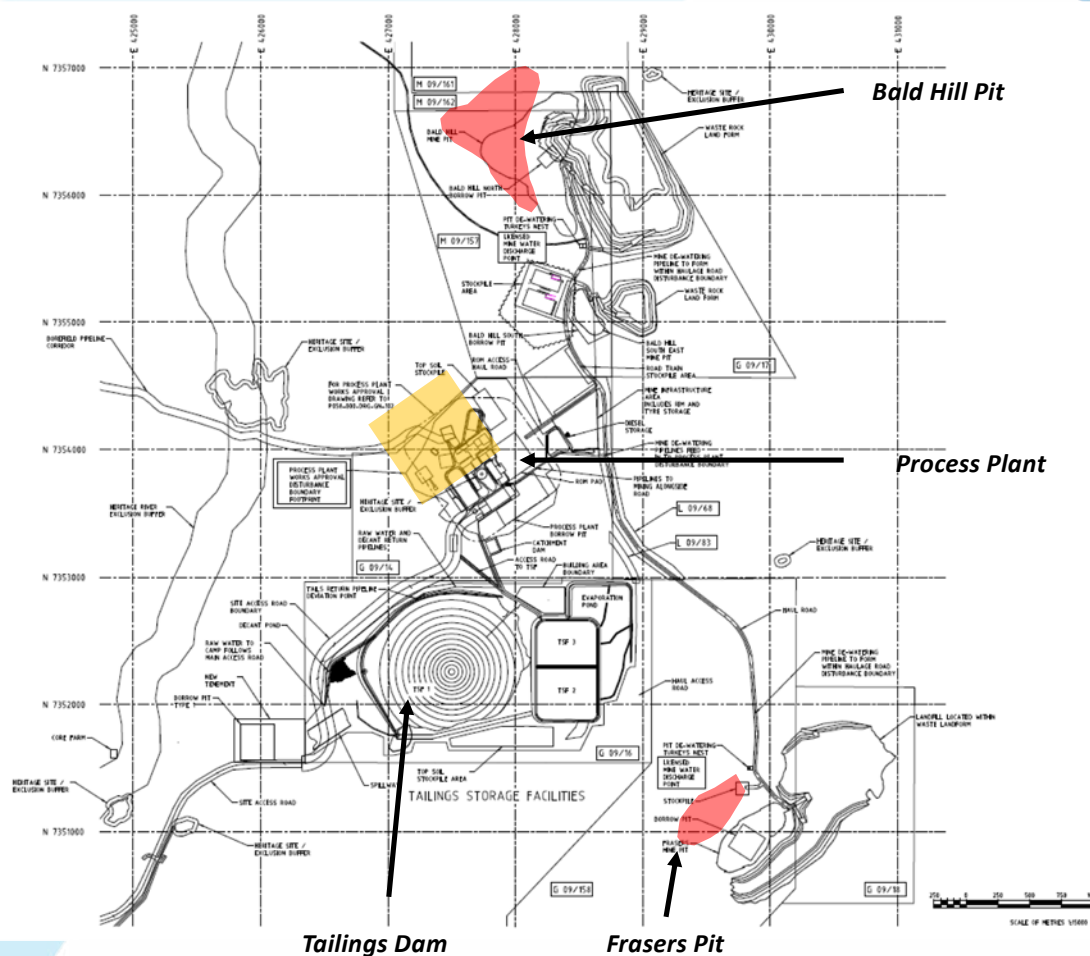
Annual (TREO) production **~8,500 tpa**

Average (Nd Pr) production* ***3,400 tpa**

LOM C1 cost **~ \$17.71 / kg TREO**

Commissioning Date **Q1 2021**

*First 5 years production



Pre-Production Capex: A\$413m - Breakdown

Revised Capex 427
less: Sunk costs (to 31 Jan 2019) (14)

Pre Production Capital Costs 413

Process Equipment Upgrades 42.0

Hydromet & Gas Scrubber area 23.0
Piping 6.0
Flotation 5.0
First fill reagents 3.0
Crushing & Grinding 5.0

Tailings Storage Facility 1.3

Camp size increased from 240 to 380 beds 3.0

Increase in Mining pre-stripping 2.7

Services (water/earthworks/plant control) 13.0

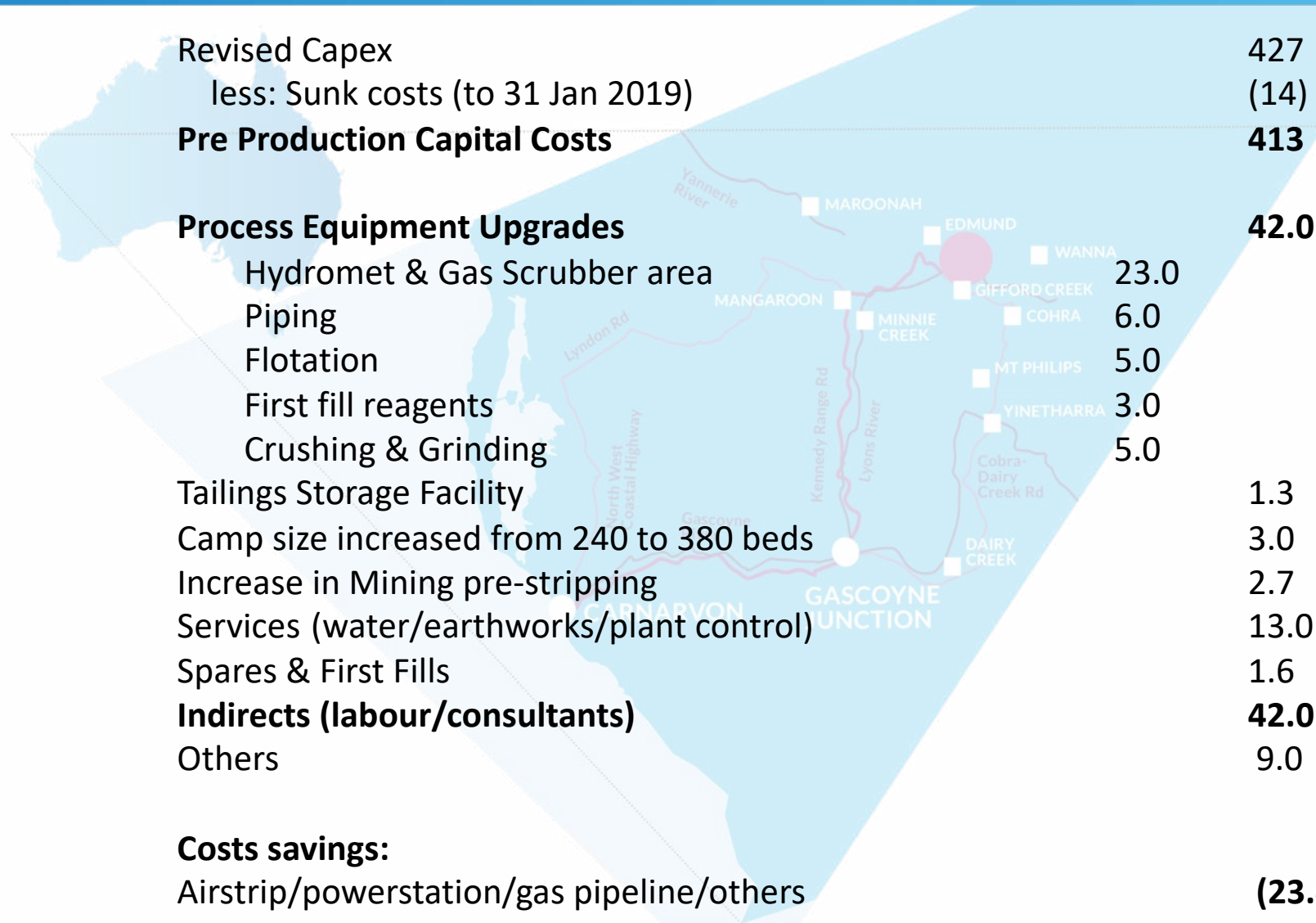
Spares & First Fills 1.6

Indirects (labour/consultants) 42.0

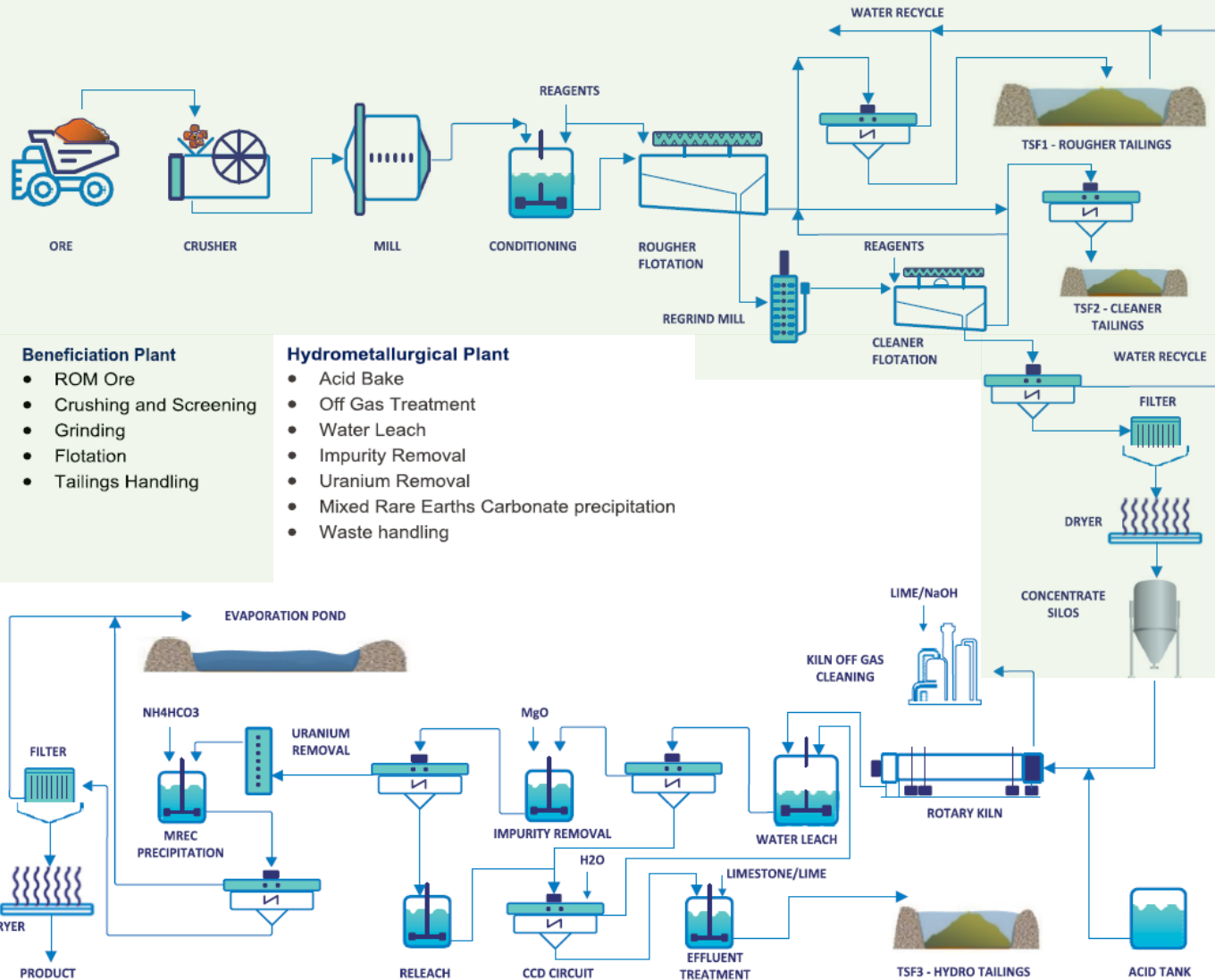
Others 9.0

Costs savings:

Airstrip/powerstation/gas pipeline/others (23.4)



Final Process Flowsheet



Beneficiation:

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

Hydromet:

- Well known and reliable hydrometallurgical processes.

Mixed Rare Earth Carbonate (MREC):

- Annual production of 15K tonnes
- Customer takes title FOB WA port of loading
- Separation into TREO oxides by third party

Beneficiation Pilot Plant Testwork



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

Capex improvements since DFS

Project Capital Costs Improved economics/flow sheet

Power station

- Gas pipeline and power station outsourced

Crushing

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

Process Plant

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

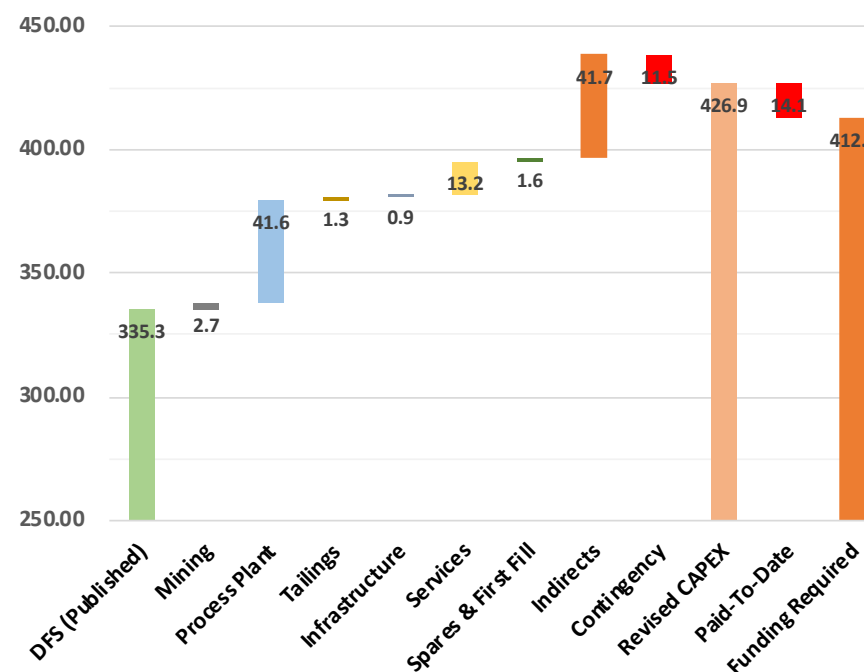
Ore sorting

- targeting 40 - 50% rejection of mass upfront

TSF

- Better & more manageable design

Capex Changes from DFS



Update on Major Activities

Phase One Enabling Infrastructure Apr 2019 – Q3 2019

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

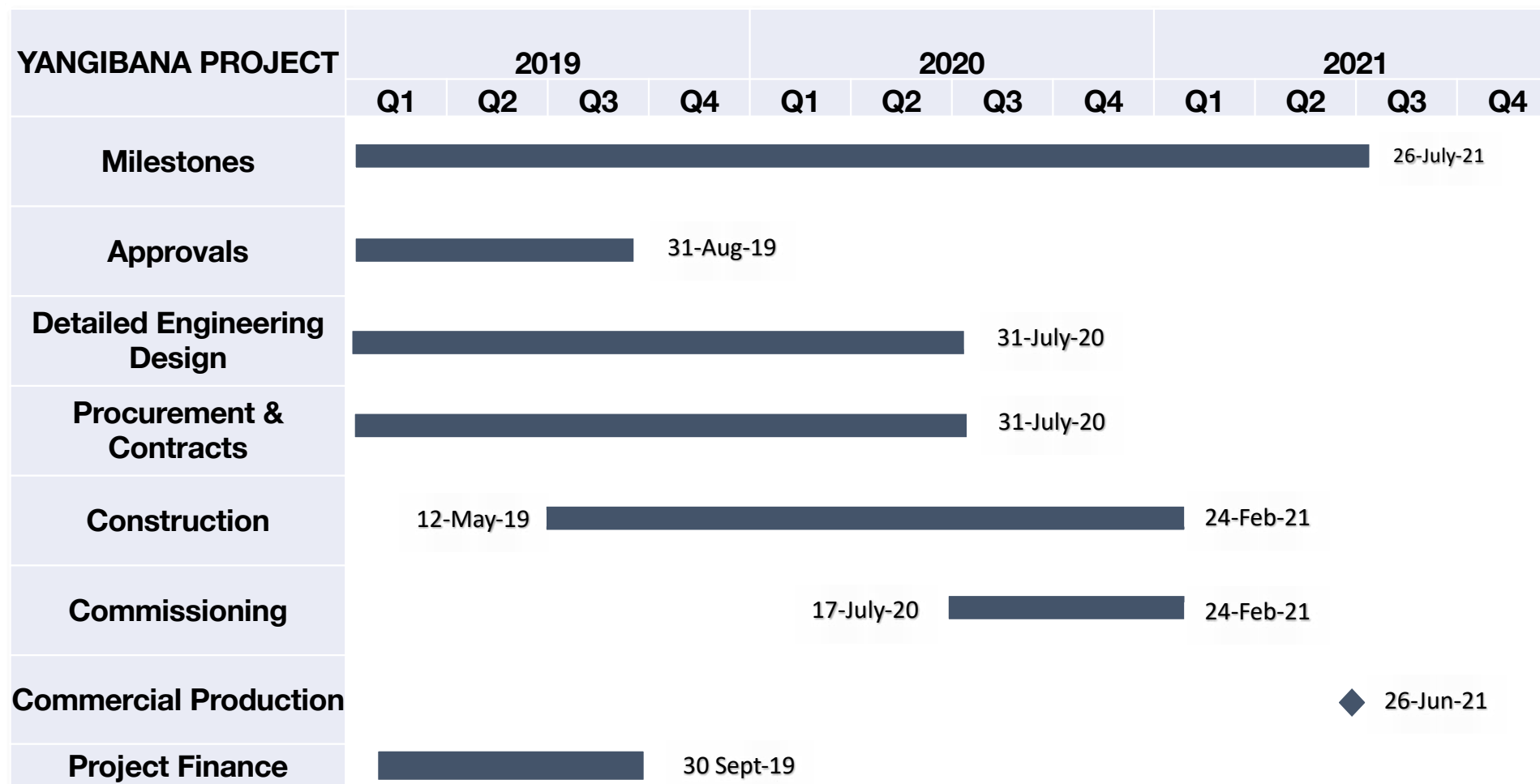
Phase Two Mine Construction Q3 2019 – Q1 2021

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

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

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

Project Timeline



Global Demand Growth for Permanent Magnets

CAGR 2017 – 2022: ~ 9%

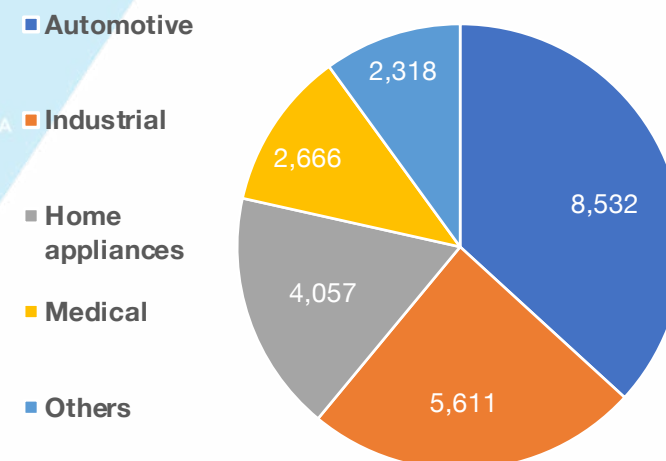
Application	2016 USDm	2017 USDm	2022 USDm	CAGR% 2017–2022
Consumer electronics	1,933.9	2,090.8	3,078.0	8.0
Electric motors	1,888.9	2,074.6	3,287.3	9.6
Sonic equipment, magnetic sensors, actuators and transducers	1,131.8	1,228.5	1,846.8	8.5
Medical devices	951.9	1,025.1	1,514.4	8.1
Generators	914.5	984.4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

NdFeB magnets offer the best power to cost ratio

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

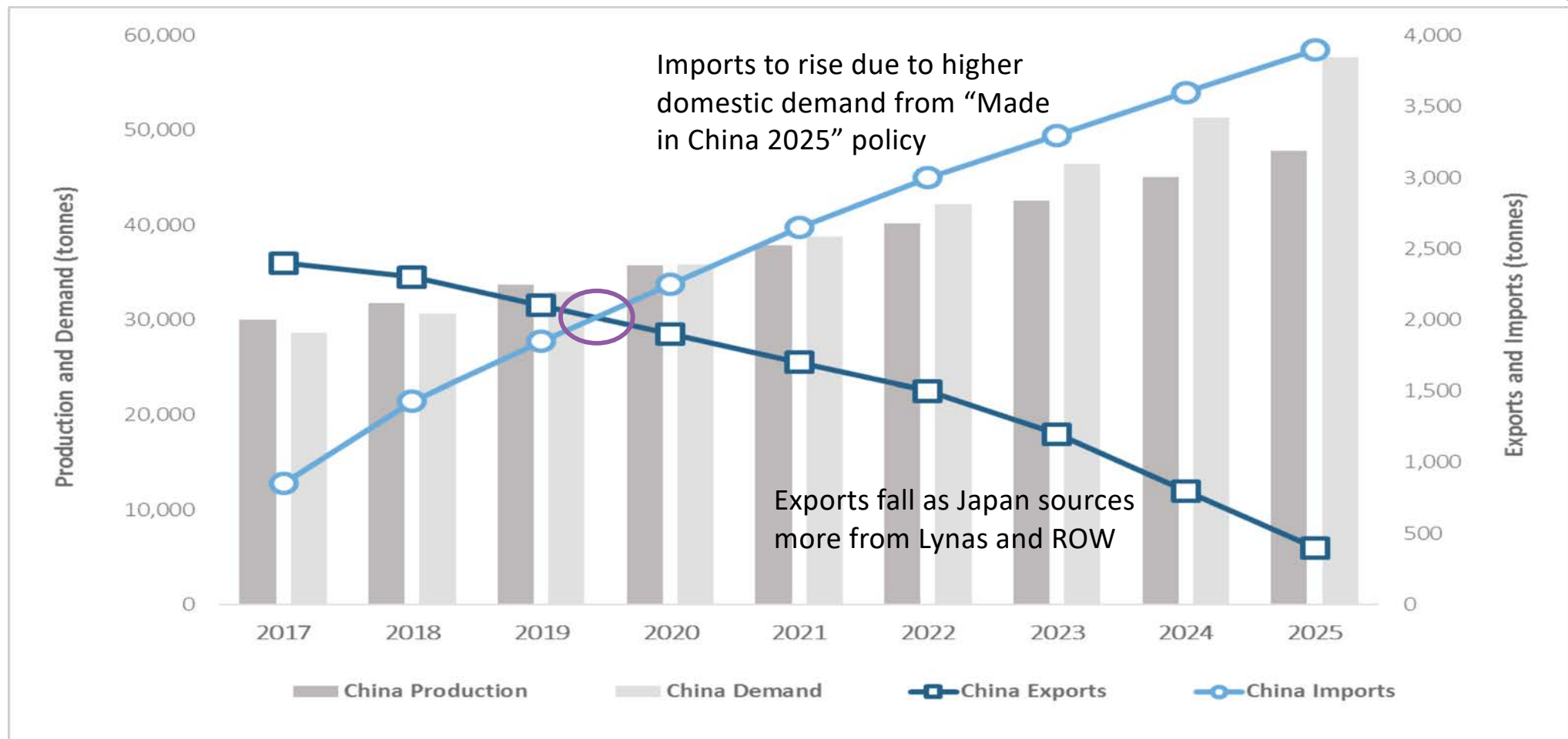
Source: BCC Research: Magnets and Magnet Materials: Global Markets Oct 2017.

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



Global Nd-Pr Oxide Supply Demand 2017 - 2025

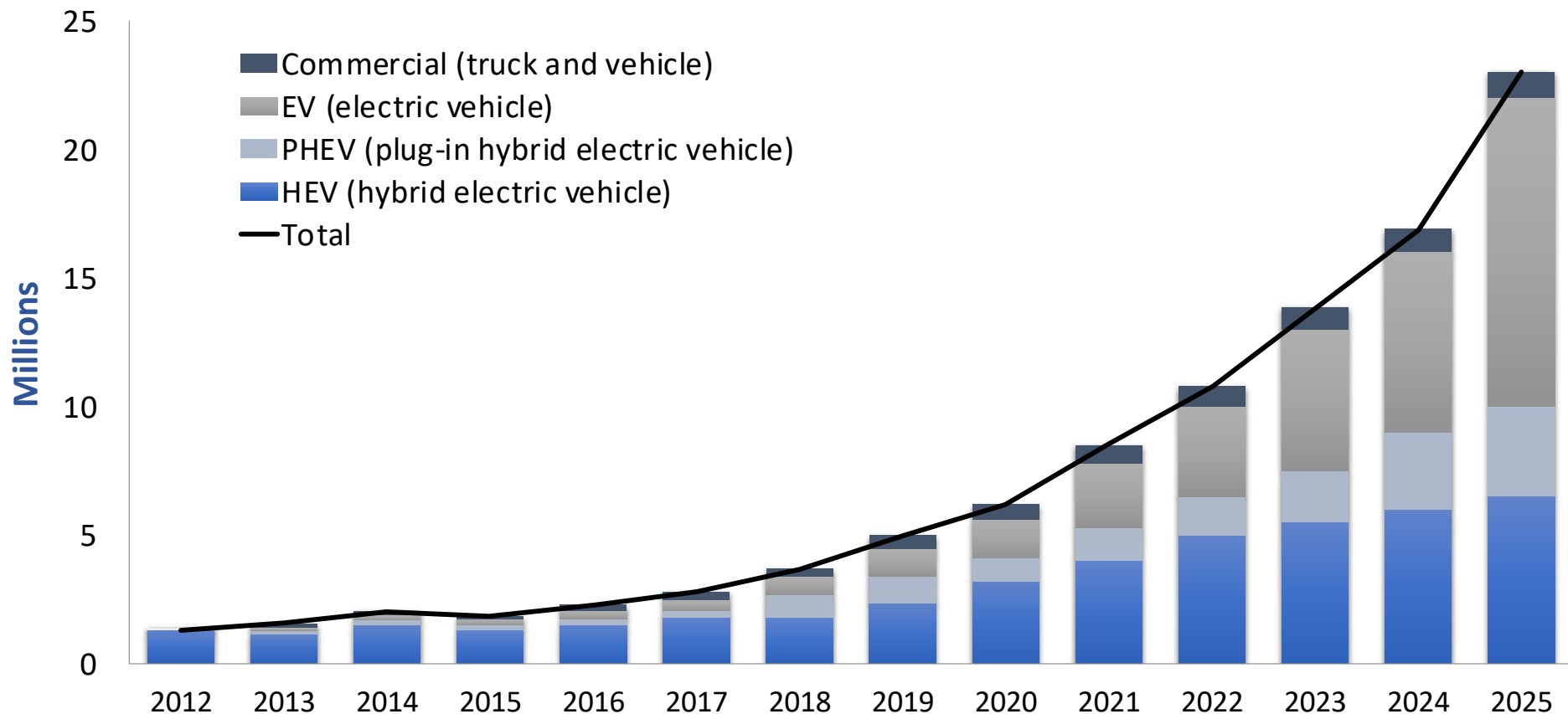
Possible shortage - crossover point in 2020



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

EV - Catalyst for NdPr Demand

Expected Growth of Electric Vehicle Sales Worldwide



Source: Roskill & UBS Estimates

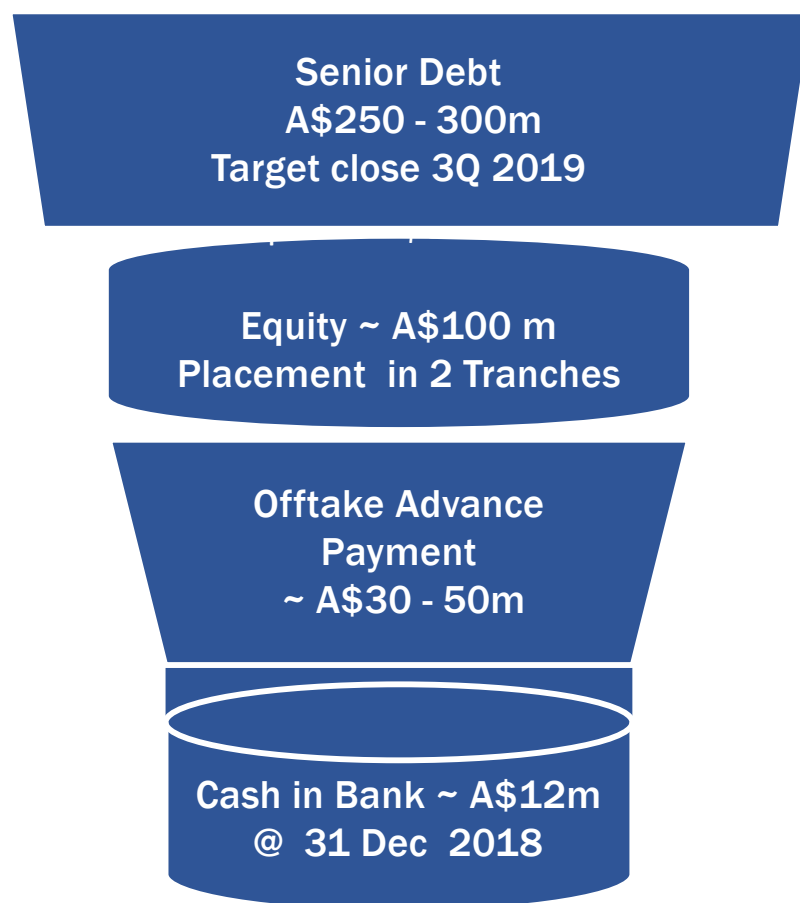
Financial Highlights

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

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

Funding Plan : 65% Debt / 35% Equity

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

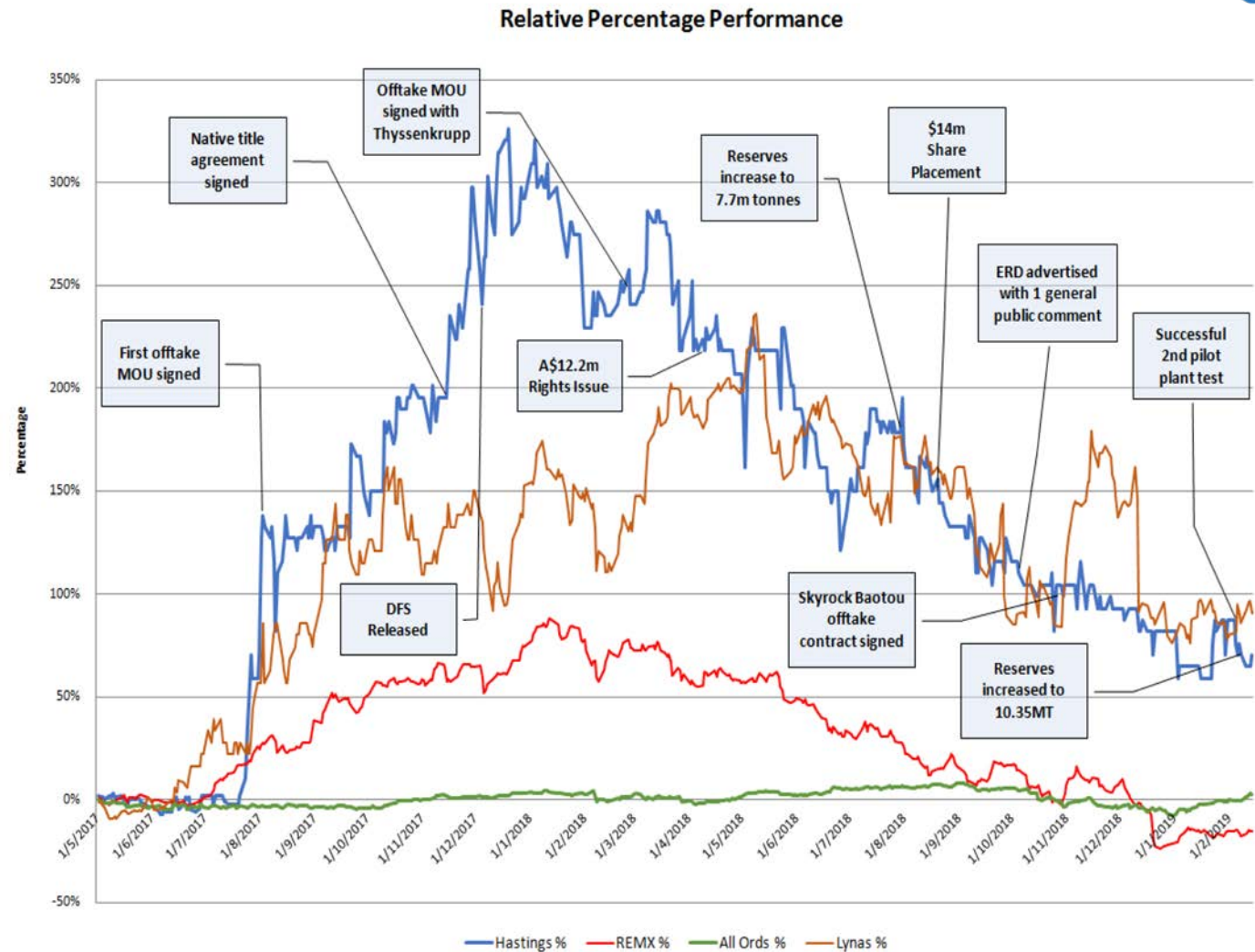


- Proposed Structure:
 - ✓ Senior Debt (7 years/10 years) ~ \$250 - 300M
 - ✓ Equity ~ \$100 -150M
 - ✓ Offtake – Advance Payment ~ \$50m
- KfW advancing on application to Euler Hermes for UFK scheme (German government loan guarantee) which offers concessionary interest rates (compliant with **Equator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

Hastings Equity Statistics (HAS:ASX)

Steady growth in market cap since May 2017

- Market Cap ~ **A\$130m**
- ~ 1250 Shareholders
- Top 10 shareholders (Malaysians) owns ~ 70%
- **A\$75m** raised since 2014
- **Cash: A\$12m** as reported on 31st Dec 2018
- **No Debt**
- Included in the **ASX All Ordinaries Index**



Board of Directors



Neil Hackett

Non Executive Director &

Company Secretary

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



Charles Lew

Executive Chairman

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



Mal Randall

Non Executive Director

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



Jean Claude Steinmetz

**Non-Exec. Director &
Commercial Director (PT)**

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

Executive Management Team

In depth experience and specialised skills



Andy Border
General Manager
Exploration

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



Valerie Quay
Legal Counsel

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



Andrew Reid
Chief Operating Officer

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



Pit Wah Chung
Chief Financial Officer

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



Robin Zhang
Process Engineering
Manager

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

Thank you.

Q & A

