



ASX: Quarterly Activities Report

31 October 2022

SEPTEMBER 2022 QUARTERLY REPORT

Highlights

- Acquired strategic 22.1% shareholding in Neo Performance Materials Inc (NEO), a leading global rare earth processing and advanced permanent magnets producer.
- Cornerstone investment by Wyloo Metals for A\$150 million in the form of Exchangeable Notes to fund acquisition into Neo.
- Firm commitments received for A\$110 million Two-Tranche Placement to accelerate development of the Yangibana Rare Earths project.
- Additional key process plant equipment orders were completed for both the Yangibana and the Onslow plants.
- First ground clearing and early geotechnical works commenced at Onslow for the Hydrometallurgical Plant.
- New drilling results with samples up to 16% TREO have been received along the 8km long Bald Hill - Simon's Find – Fraser's trend which remains open along strike to both the north, south and down-dip. These include:
 - **BHRC593 intersected 5m at 3.09% TREO from 32m**
 - **FFRC285 intersected 9m at 2.59% TREO from 64m**
 - **BHRC567 intersected 9m at 1.23% TREO from 47m**
- Hastings had \$176.9 million in cash and equivalents as of 30 September 2022, prior to the receipt of Tranche 2 proceeds from the Placement.

Australia's next rare earths producer, Hastings Technology Metals Ltd (ASX: HAS) (Hastings or the Company), is pleased to report on exploration and development activities for the three-month

period to 30 September 2022. Most of the activity focused on the Company's Yangibana Rare Earths Project (Yangibana) in the Gascoyne and Pilbara regions of Western Australia.

The business continues to remain lost time injury free during the September period. The Yangibana project has reached 1,522 days LTI free at the end of the period.

Notification to Department Mines Industry Regulation and Safety (DMIRS) of the Onslow site now to be considered as a mine site.

Environment & Permitting

The installation and testing of four production bores at the SipHon borefield was completed during the quarter. Together with the three existing production bores and anticipated pit dewatering volumes, the project has access to sufficient water for the processing operations.

Baseline and impact studies on the Yangibana Expansion 1 project (encompassing the expanded proposed mining envelope during operations) continued during the quarter. This has included hydrogeological investigations at SipHon borefield, subterranean fauna surveys and regional vegetation surveys.

A Native Vegetation Clearing Permit was approved for the Onslow site enabling geotechnical and baseline studies to commence. Further supporting information was provided to the regulators to progress the assessment of the full site Native Vegetation Clearing Permit and Works Approval. Approval was given under the Rights in Water and Irrigation Act to drill two new bores at the Onslow borefield.

Hastings signed an "Option to Lease" agreement with DevelopmentWA and is now in negotiations for the final lease agreement for the land inside the Ashburton North Strategic Industrial Area where the Onslow Hydrometallurgical plant will be built.

Yangibana Project Development

The commencement of activities at the Onslow site marks a significant milestone in the Yangibana project. Spending across both sites for the quarter covered a wide range of activities including contractor engagement and equipment vendor package purchases, which allowed engineering and site-based activities to move forward.

The overall schedule is now at 7.0% completion with DRA Global continuing to ramp up people resourcing in response to increased workloads. Milestone engineering reviews were completed for both the beneficiation and hydrometallurgical plants, whilst bulk earthworks designs continue to progress to finalisation. Many processing plant equipment packages were issued to market for pricing which was a significant increase over the previous quarter and resulted in the award of

several key pieces of equipment including trash screens, cyclone clusters, concentrate dryers and flocculant mixing systems.

Cost and labour availability pressures continue to remain a concern with difficulties in sourcing certain highly skilled low availability roles. Hastings and DRA entered into an Employee Retention plan to ensure adequate availability of staff over the entire process plant construction phase. New equipment inventory in areas remains low inside stretched supply chains with Hastings seeing price increases from the OEM's flowing through.

Yangibana Early Works Advancement

Key Hastings early works progress at Yangibana during the September 2022 Quarter sees the project at 40.3% complete, and includes:

- Main Access Road: progress continues with the entire alignment now trafficable with two lanes;
- Accommodation Village: mobilisation of camp construction contractor to site and commencement of installed services and placement of buildings;
- Airstrip construction progresses with bulk general fill now completed and select fill in areas trimmed by drill and blast underway;
- The telecommunications package for the tower-based microwave data service to site progressed with the installation of tower bases and the erection of the first tower stage at Yangibana Village.
- Ongoing drill and blast activities onsite to produce concrete aggregate and wearing course material for the road and airstrip construction;
- The Village Camp Services tender document has been released to the market;
- Completion of Bulk Earthwork designs for the Process Plant area;
- Water bore pump testing completed indicating flow rates exceeding design expectations.

The program of pump testing of bores drilled in the recent Hydrological Drilling program was completed in early August. This included the new production bores at the SipHon Well Borefield as well as dewatering test bores at Yangibana, Auer and Simon's Find.

Onslow Early Works Advancement

Early works has commenced at Onslow during the September 2022 Quarter and included:

- The commencement of the site geotechnical investigation activities by GALT to support final earthworks and civil design by DRA;

- Ongoing progression of detailed earthworks and design layouts by DRA Global;
- Ongoing procurement of key drilling equipment for the Onslow water bore drilling programme and the selection of a drilling contractor completed;
- Completion of detailed engineering for the evaporation ponds;

Substantial progress was made with respect to a 4-party road user agreement with the Shires of Ashburton, Carnarvon and Upper Gascoyne straddling the public road between Yangibana and Onslow.



Figure. 1 Accommodation Village: Phase 1 with First 100 rooms installed in place.



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



Figure. 3 Accommodation Village: Phase 2 earthworks and trenching earthworks advanced.



Figure. 4 *Communication Towers: Foundations and towers installed and well progressed.*

Mineral Resource Drilling

Final results were received from the 13,334m 170-hole Resource Definition RC Drilling program conducted at the Yangibana Rare Earths Project, with the assays covering Bald Hill and Fraser's (ASX: "Higher Grades Extend Bald Hill Mineralisation Beyond Previous Resource Boundaries 25 July 2022". The drilling has defined strong mineralisation in both deposits, particularly in areas that had limited previous drilling.

The drilling program has successfully extended current known mineralisation down dip within the 8km long mineralised Bald Hill – Simon's Find – Fraser's trend below the currently defined Mineral Resource base as well as to infill near-surface portions which had insufficient drilling and were required to be classified as Inferred.

Four holes were drilled at the very north of Bald Hill, within tenure held in Joint Venture with Cadence Minerals Plc. Hasting's has agreed to acquire Cadence's 30% interest in the Joint Venture Tenements (ASX: 23rd June 2022 Hasting's to Acquire 30% Yangibana Joint Venture Interest from Cadence Minerals Plc) and the quality of the ground has been clearly demonstrated with three of the four holes intersecting mineralization. The strongest intersection was from BHRC593 (5m at 3.09% TREO from 32m), with mineralisation open to the north (Figure 1).

Hole FFRC285 was drilled to reduce the drill spacing in a 200m strike length of Fraser's still classified as an Inferred Resource. This hole intersected 9m at 2.59% TREO from 64m in the expected position, but also intersected a new, deeper ironstone unit that assayed 4m at 1.15% TREO from 93m (Figure 2).

FRTFB01 was drilled 180m south of the southernmost drill hole at Fraser's as an environmental monitoring bore; this hole intersected 5m at 3.44% TREO from 14m (true width approximately 2m), including 1m at 16.0% TREO and 4.76% NdPr. Surface mapping shows that ironstone subcrop continues further south, showing the potential to add to the Fraser's existing 2,200m of defined mineralisation.

Six holes drilled within a 400m interval between Bald Hill and Bald Hill Southeast encountered strong REE mineralisation averaging 7m true width. Previously holes drilled in the same area did not intersect any mineralisation due to holes not reaching the target zone.

An updated Mineral Resource estimate will be completed for the Bald Hill, Simon's Find and Fraser's deposits early in the Fourth Quarter. An updated Ore Reserve Estimate will follow later in the Fourth Quarter.

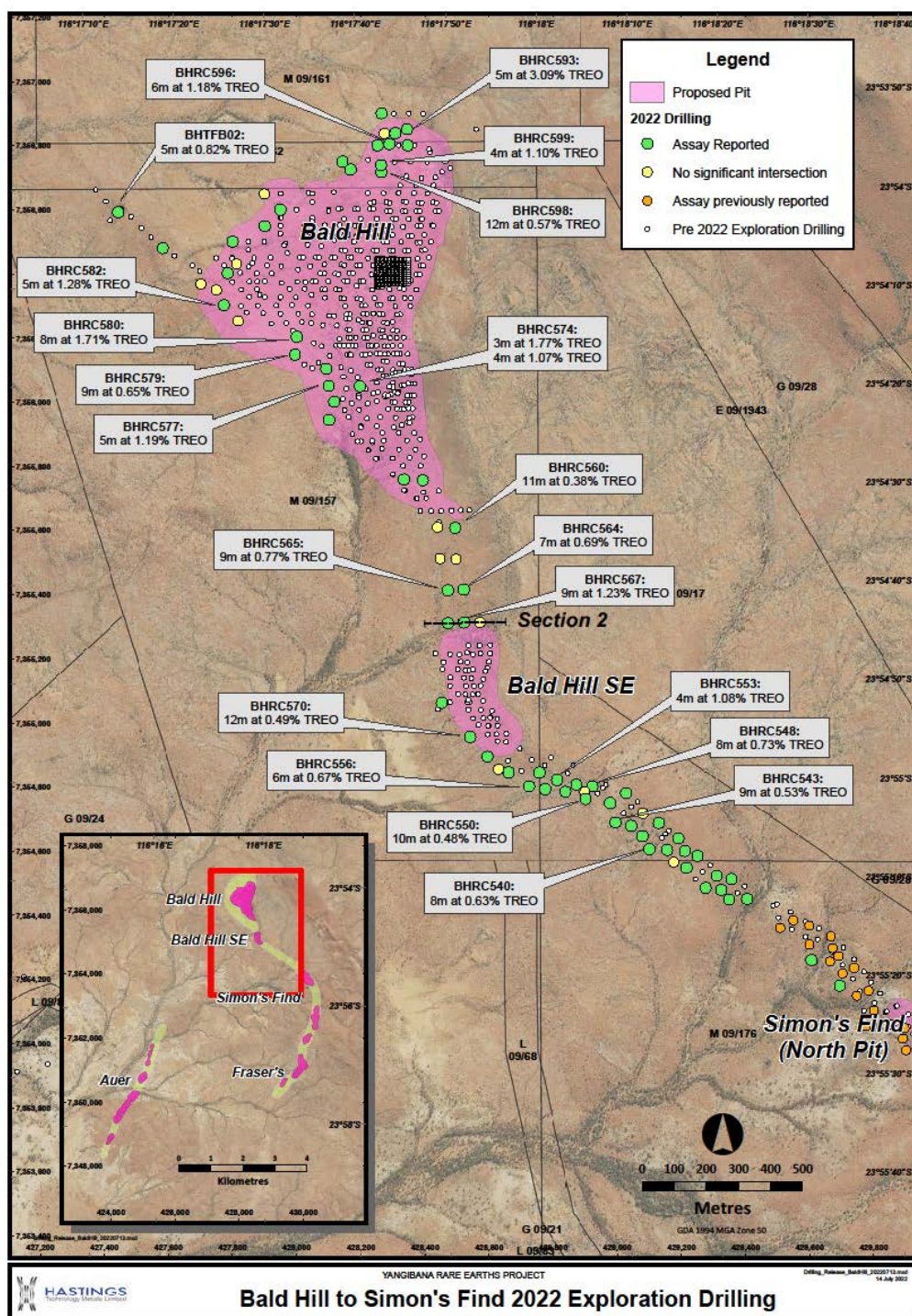


Figure. 5 Location of assay results received from new drilling and proposed pit designs. New hole collars with assay results are colour coded as containing mineralised intersections >0.2% TREO or no significant intersections.

Legend

- Proposed Pit
- 2022 Drilling
 - Assay Reported
 - No significant intersection
 - Assay previously reported
 - Pre 2022 Exploration Drilling

Fraser's 2022 Exploration Drilling

Simon's Find (South Pit)

Fraser's (North Pit)

Fraser's

Fraser's (South Pit)

Section 1

FRRC262:
4m at 1.36% TREO

FRRC268:
4m at 0.88% TREO

FRRC275:
3m at 1.27% TREO

FRRC277:
5m at 0.63% TREO

FRRC284:
2m at 1.78% TREO

FRRC285:
9m at 2.59% TREO
4m at 1.15% TREO

FRRC280:
4m at 0.77% TREO

FRFB01:
14m at 3.44% TREO

Bald Hill

Bald Hill SE

Simon's Find

Fraser's

Auer

Metres

Kilometres

HASTINGS

YANGBANA RARE EARTHS PROJECT

Fraser's 2022 Exploration Drilling

Project Finance

A process for limited-recourse project finance funding for the Yangibana project was initiated in early 2021 with NAIF (North Australia Infrastructure Facility), KFW IPEX-Bank (German State bank) and Finnvera Oyj (Finland government owned Export Credit Agency) being the three government agencies approached by Hastings with a view to providing a senior debt facility totalling A\$400 million.

In February 2022, NAIF provided a board approved loan support for A\$140 million subject to pre-completion conditions (refer ASX announcement “*NAIF Approves \$140m Loan for Yangibana Rare Earths Project*” dated 2 February 2022). KFW IPEX-Bank has provided a conditional credit approval for up to US\$130 million in ECA-covered and uncovered/commercial project finance debt. In addition, the company has explored a fixed interest debt option and undertook a US\$350 million Nordic Bond market sounding exercise which exceeded expectations.

Hastings has recently undertaken a Two-Tranche Placement to raise A\$110 million in new equity to progress the Yangibana rare earth project. Equity capital is being invested into the project prior to drawdown of the limited recourse project finance funding, expected to occur in 2H 2023. Hastings is working with the potential lenders to finalise commercial terms, secure final credit approved commitments and reach contractual close on the financing stack ahead of this initial drawdown.

Commercial

The Company in previous statements expressed its long-term ambition in pursuing a downstream strategy of mine to magnets so as to capture the entire value chain. Its European centric business model that has been developed over the last 6 years has positioned the company to take advantage of the opportunity created by the European government aspirational target to have 30% of permanent magnets to be made in Europe by 2030.

On 26 August, Hastings announced the acquisition of a 22% shareholding in Neo Performance Materials (Neo), a company listed on the Toronto Stock Exchange at a cost of C\$15.00 per share, from an affiliate of Oaktree Capital Management L.P. (this represents a 4.7% premium to Neo’s closing share price of C\$14.33 per share on Wednesday, 24 August 2022). Neo is a global leader in the downstream processing of rare earth elements and production of advanced materials, including permanent magnets. The acquisition is funded by an investment by Wyloo Metals Ltd (Wyloo) via the subscription of A\$150 million (C\$135M) secured, redeemable, exchangeable notes issued by Hastings. Wyloo is a subsidiary of Tattarang, one of Australia’s largest privately owned investment companies with an investment portfolio spanning across agri-food, energy, resources, property, and lifestyle .

Post quarter end, Hastings further announced the signing of a non-binding Offtake Memorandum of Understanding (MOU) with Solvay, an advanced materials and specialty chemicals company

headquartered in Brussels. The MOU outlines the intent of both parties to enter into a non-binding commercial offtake agreement for Hastings to supply an initial annual volume of 2,500 tonnes of its Mixed Rare Earth Carbonate (MREC) to Solvay's separation plant in La Rochelle, France. Solvay recently announced its commitment to expand and upgrade its La Rochelle plant (which has been in existence since the 80s) for the production of separated rare earth oxides for the permanent magnets market. This significant investment from Solvay underscores their intention to develop a major rare earths hub in Europe in view of the European government's push for Europe to diversify its needs for permanent magnets away from China.

In August, China raised its annual rare earth mining output quota by 25% to a fresh record high in the wake of rising global demand for permanent magnets and NdPr oxides. As a result, the new Chinese rare earth mining and separation output quota for 2022 is set at 210,000 tonnes (168,000 tonnes in 2021). This quota increase resulted in a fall of 30% in NdPr oxide price but has since recovered slightly due to demand growth.

Salaries and fees paid to Directors during the quarter amounted to \$264,000.

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

For further information, please contact:

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About Hastings Technology Metals Limited

Hastings Technology Metals Limited (ASX: HAS) is a 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 and Pilbara regions of Western Australia, contains one of the most highly valued NdPr deposits in the world with NdPr:TREO ratio of up to 52%. The site is permitted for long-life production and with offtake contracts signed and debt finance in advanced stage. Construction is scheduled to take 27 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

Competent Persons and Qualifying Persons Statement

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

APPENDIX – MINING TENEMENTS HELD AS AT 30 SEPTEMBER 2022

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

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

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

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

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

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