



22 February 2021

Not for release to US wire service or distribution in the United States

Hastings Technology Metals Limited
ABN 43 122 911 399

ASX Code: Shares - HAS

Address:

Level 8, Westralia Plaza
167 St Georges Terrace
Perth WA 6000

PO Box 6 Westralia Plaza
167 St Georges Terrace
Perth WA 6000

info@hastingstechmetals.com

Board

Charles Lew (Executive Chairman)

Guy Robertson (Finance Director)

Jean Claude Steinmetz (Non-Exec
Director)

Neil Hackett (Non-Exec Director and
Company Secretary)

Mal Randall (Non-Exec Director)

Bruce McFadzean (Non-Exec
Director)

www.hastingstechmetals.com

HASTINGS' \$100 MILLION PLACEMENT TO ACCELERATE CONSTRUCTION OF YANGIBANA RARE EARTHS PROJECT

- Hastings has received commitments to raise \$100.7 million (before costs) through a two-tranche placement priced at \$0.19 per share.
- Placement funds will be used to advance development of the world-class Yangibana Rare Earths Project.
- Tranche One of the placement raised \$57.2 million and was fully underwritten by Canaccord Genuity and supported by institutional investors.
- Tranche Two of the placement, which is subject to Hastings shareholder approval, is to raise \$43.5 million and was well supported by existing sophisticated shareholders and a global investment manager.
- Upon settlement of both tranches of the placement, Hastings will have a cash balance of \$120 million (before costs).
- Strong institutional demand reinforces confidence that Yangibana will become Australia's next rare earths producer.

Australia's next rare earths producer, Hastings Technology Metals Limited (**ASX: HAS**) (**Hastings** or the **Company**) is pleased to announce that it has received commitments to raise \$100.7 million through a two-tranche placement to institutional, sophisticated and professional investors (**Placement**). The net proceeds of the Placement will be used by Hastings to advance development of its world-class Yangibana Rare Earths Project (**Yangibana Project**) in the Gascoyne region of Western Australia.

Canaccord Genuity acted as Underwriter and Sole Lead Manager to the Placement.

Upon settlement of both tranches of the Placement, the Company will have a cash balance of approximately \$120 million (before costs). The Company also has 127.6 million listed options on issue (ASX: HASO), which have an expiry date of 12 April 2022. If all HASO are exercised, the Company's cash balance will be supplemented by a further \$31.6 million.

As previously announced to the ASX, the equity component of the Yangibana Project's capital cost is \$124 million.

Hastings Technology Metals' Executive Chairman, Charles Lew, said:

"Hastings has been overwhelmed with the strong support from Australian and international investors in our Yangibana rare earths project. Their support in the placement underscores the market's belief that Yangibana will become Australia's next rare earth producer."

"Yangibana is a world-class rare earths project with an exceptionally high NdPr:TREO ratio and is slated to start production at a time when global demand for neodymium (Nd) and praseodymium (Pr) is growing rapidly on the back of unprecedented demand for electric vehicles."

"Securing this quantum of equity capital at this point allows Hastings to advance the Yangibana Project towards first production with high confidence."

"We welcome new investors to the Hastings register and look forward to seeing Yangibana brought into production. The Hastings team are focused on the remaining key workstreams, including the project's Mineral Resource upgrades to grow project life and improve financial metrics further, finalising additional offtakes and concluding debt financing."

Tranche One Placement

Under Tranche One of the Placement, the Company will issue approximately 301.1 million new fully paid ordinary shares in the Company at \$0.19 per share (**New Shares**), raising a total of \$57.2 million before costs, to institutional, sophisticated and professional investors (**Tranche One Placement**). The Tranche One Placement has been fully underwritten by Canaccord Genuity.

The New Shares will be issued under the Company's existing placement capacity under ASX Listing Rule 7.1 for 180,646,814 shares and ASX Listing Rule 7.1A for 120,431,209 shares. For the purposes of Listing Rule 7.1A, the 15-day volume-weighted average price (VWAP) is \$0.218. The New Shares under the Tranche One Placement are expected to be issued on Monday, 1 March 2021.

Tranche Two Placement

As announced to the ASX on 18 February 2021, the Company reserved the right to undertake a second-tranche placement to accommodate sophisticated and institutional investors (**Tranche Two Placement**). Following strong investor demand, Hastings has decided to expand the size of the Tranche Two Placement and has received firm commitments for \$43.5 million.

In particular, Hastings notes the strong support received from L1 Capital, which will become a substantial shareholder in the Company following completion of the Tranche Two Placement. L1 Capital is a global investment manager with a track record of successful investment in natural resources. L1 Capital has been a long-term investor in the rare earths and battery metals sectors.

The Tranche Two Placement was also priced at \$0.19 per share and not underwritten. Completion of the Tranche Two Placement is subject to Hastings Shareholder approval, to be sought at an Extraordinary General Meeting in late March 2021. The Tranche Two Placement will see the Company issue a further approximately 228.9 million new fully paid ordinary shares. Canaccord Genuity acted as Sole Lead Manager to the Tranche Two Placement. Ord Minnett acted as Co-Manager to the Tranche Two Placement.

Progressing the Yangibana Rare Earths Project

Funds raised from the Placement will be used to start construction at Yangibana in Q2 of this year and further advance with haste the Project's development. Principally, funds will be used for:

- a) Procurement of long-lead item equipment;
- b) Front-end engineering plant design;
- c) Mine site works – camp installation, access road construction, civil plant base earthworks, water bore and pipeline installation, IT backbone tower installation; and
- d) Working capital.

At the same time, Hastings will work with its financial adviser, KPMG Corporate Finance in Perth, to complete due diligence and loan term negotiations with a syndicate of leading project finance banks/specialist resource funds and government agencies from Australia and Europe, namely KfW-Ipex Bank (German state bank), the Northern Australia Infrastructure Facility (NAIF) and Finland's Export Credit Agency (ECA) Finnvera.

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

For further information, please contact:

Charles Lew, Executive Chairman: +65 6220 9220 / +61 8 6117 6118
Matthew Allen, Chief Financial Officer: +61 412 581 487
Andrew Reid, Chief Operations Officer, +61 487 888 787

For media and investors queries, please contact:

Peter Klinger, Cannings Purple: +61 411 251540
Peter Kermode, Cannings Purple: +61 411 209459



All amounts in this ASX announcement are in Australian dollars unless otherwise indicated.

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the US Securities Act and applicable US state securities laws.

About Hastings Technology Metals Limited

Hastings Technology Metals Limited is positioned to become Australia's next pure rare earths producer and is advancing its flagship Yangibana Rare Earths Project in the Upper Gascoyne Region of Western Australia towards production. The proposed beneficiation and hydrometallurgy processing plant will treat rare earths deposits, predominantly monazite that host high neodymium and praseodymium contents, to produce a mixed rare earths carbonate that will be further refined into individual rare earth oxides at processing plants overseas.

Neodymium and praseodymium are vital components in the manufacture of permanent magnets, which are used in a wide and expanding range of advanced and high-tech products including electric vehicles, wind turbines, robotics and medical applications. Hastings aims to become the next significant producer of neodymium and praseodymium outside of China.

Hastings also operates the Brockman Heavy Rare Earths Project near Halls Creek in the Kimberley region of Western Australia. The deposits at Brockman contain high quantities of heavy rare earths, niobium pentoxide and zirconium oxide as well as rare metals tantalum, hafnium and gallium.

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

Forward looking statements

This document may include forward-looking statements. Forward-looking statements include, but are not necessarily limited to, statements concerning Hasting's rare earths project and other statements that are not historic facts. When used in this document, the words such as "could", "plan", "estimate" "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements.

Although Hastings believes that its expectations reflected in these are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward looking statements.