

Joint Announcement

12 June 2023

Hastings Technology Metals (ASX:HAS)

Neo Performance Materials (TSX:NEO)

Hastings and Neo sign non-binding Heads of Agreement for rare earth concentrate offtake and downstream collaboration

TORONTO, June 12, 2023 -

HIGHLIGHTS

- Hastings Technology Metals (Hastings) and Neo Performance Materials (Neo) sign a non-binding Heads of Agreement (Agreement), outlining the framework for the parties to negotiate a binding commercial offtake agreement for the supply of rare earth concentrate from Stage 1 of the Yangibana Rare Earths Project (Yangibana or Project)
- In Yangibana Stage 1, Hastings would supply up to 25,000 tonnes per annum of concentrate from Q1 CY2025 for Neo's downstream processing facilities across Europe and Asia, to be followed by up to 10,000 tonnes per annum of Mixed Rare Earth Carbonate upon completion of Stage 2
- The offtake arrangement for concentrate from the Yangibana Project would provide an additional source of feedstock for NPM Silmet OÜ (Silmet), Neo's rare earth separation facility in Sillamäe, Estonia
- Silmet plans to produce separated rare earth oxides for Neo's sintered rare earth permanent magnet manufacturing plant under development in nearby Narva, Estonia, which is expected to supply the European electric vehicle and renewable energy markets
- The contemplated offtake arrangement could cover up to 70% of Stage 1 and 2 Yangibana production for an initial period of 10 years
- The Agreement also provides for cooperation in the areas of evaluating joint downstream processing opportunities, technical, and commercial collaboration

Hastings Executive Chair, Mr Charles Lew, said:

"The signing of this Heads of Agreement builds on Hastings' strategic investment in Neo Performance Materials, representing a significant step forward in our vision to advance synergies between both companies with a view to creating a fully integrated mine-to-magnet supply chain. We share this vision with our partner Wyloo Metals, who has been very supportive in our mine-to-magnet strategy as we see a unique opportunity to be a major player in building a European centric magnet supply chain during this decade."

"This agreement with Neo represents the first step in a strategic partnership that will establish Hastings as a reliable supplier of rare earth feedstock to the European permanent magnets industry, and further strengthens the staged development strategy for the Yangibana Project, with a pathway to early project cashflows from Stage 1 concentrate sale."

Neo Performance Materials CEO, Constantine Karayannopoulos, said:

"This initiative supports Neo's strategic efforts to continue to globally diversify our sources of rare earth feedstock and to provide our customers with maximum supply chain optionality. The Yangibana resource is an attractive potential source of magnetic rare earths--NdPr in particular--and it could contribute to meeting

the feedstock targets of our planned Estonia magnet manufacturing facility as well as a potential future expansion in North America. Neo looks forward to working toward a definitive agreement with Hastings on the material from the Yangibana project.”

STRATEGIC PARTNERSHIP

Hastings Technology Metals Ltd (ASX: HAS) (Hastings) and Neo Performance Materials Inc (TSX: NEO) (Neo) are pleased to announce the signing of a non-binding Heads of Agreement, signalling their intention to take an important step forward in a potential strategic partnership between the two companies to strengthen their shared vision for an integrated mine-to-magnet rare earth supply chain.

The Agreement outlines the framework for both parties to negotiate a binding offtake agreement and pursue further downstream technical and commercial collaboration.

Headquartered in Perth, Western Australia (WA), Hastings is developing the Yangibana Rare Earths Project, which involves the initial development of a mine and beneficiation plant to produce 37,000 tonnes per annum of mixed rare earth concentrate with one of the world’s highest Neodymium and Praseodymium (NdPr) concentrate grades. The second stage is expected to involve the construction of a hydrometallurgical plant to produce 15,000 tonnes of Mixed Rare Earth Carbonate (MREC) (refer to ASX Announcement dated 31 May 2023).

Based in Toronto, Ontario, Neo is a global leader in the manufacture of rare earth magnetic powders and Neodymium bonded magnets. Neo has a global platform that includes ten manufacturing facilities located in Canada, China, Estonia, Germany, Thailand, the United Kingdom, and the United States, as well as a dedicated research and development centre in Singapore.

The rare earth concentrate feedstock from Yangibana would assist in meeting Neo’s growing requirements for its existing and new facilities. This includes the only industrial-scale, commercially operating rare earth separation facility in the Western hemisphere in Sillamäe, Estonia. Neo has also commenced the development of a sintered rare earth permanent magnet manufacturing plant.

This strategic partnership builds on Hastings’ 19.9% investment in Neo and the vertical integration strategy of both companies to supply magnets to the European electric vehicle traction motor market and other electrification markets including wind turbines, robotics and other advanced technologies.

KEY TERMS – HEADS OF AGREEMENT

The Agreement provides a framework for both parties to negotiate a binding offtake agreement for the supply of up to 70% (approximately 25,000 tonnes) of the annual concentrate production from Stage 1 of Yangibana. The 10-year initial term would commence with the production of Stage 1 concentrate (from Q1 CY2025) that would be processed into MREC by a third party. It would continue until such a time as MREC is produced by Hastings at Stage 2 of Yangibana, when the offtake agreement is expected to evolve to supply up to 10,000 tonnes per annum of MREC.

Other key terms of the Agreement are:

- Prior to the commencement of operations at Hastings’ planned Stage 2 hydrometallurgical plant in Onslow WA, Neo and Hastings will cooperate to arrange processing of the Stage 1 concentrate into MREC prior to delivery to Neo’s facilities;

- Pricing for the concentrate would be determined using a mutually agreed formula based on the Neodymium (Nd), Praseodymium (Pr), Dysprosium (Dy) and Terbium (Tb) content in basket value, referencing an index publishing a representative Nd, Pr, Dy and Tb price with regards to the Total Rare Earth Oxide (TREO) content of the delivered concentrate; and
- Toll treatment and third-party processing fees for the Stage 1 concentrate remain to be negotiated and will be applied as a set off against the payment to Hastings.

Hastings and Neo will work towards executing a binding offtake agreement by Q1 2024.

In addition, both parties have also committed to cooperating to further evaluate joint downstream processing opportunities including the production of oxides, metals and alloys. Hastings and Neo expect to complete future studies to determine whether the end product demand justifies future production increases from the Yangibana mine.

This report has been approved by Hastings and Neo for release jointly to the ASX and TSX.

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ABOUT HASTINGS TECHNOLOGY METALS LIMITED

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

Hastings' flagship Yangibana Rare Earths Project located 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% in some areas of the orebody.

The Project will be developed in two stages with an initial focus on the construction of the Yangibana mine and beneficiation plant to produce 37,000 tonnes per annum of mixed rare earth concentrate, followed by the construction of a hydrometallurgical plant in Onslow with the capacity to process 15,000 tonnes per annum of Mixed Rare Earth Carbonate. The Yangibana Project is permitted for long-life production and with offtake commitments and debt finance being finalised.

In 2022, Hastings acquired a strategic 19.9% shareholding in TSX-listed Neo Performance Materials, a leading global rare earth processing and advanced permanent magnets producer, providing the Company with the opportunity to explore opportunities to create a mine-to-magnet supply chain.

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

For more information, please visit www.hastingstechmetals.com

ABOUT NEO PERFORMANCE MATERIALS

Neo manufactures the building blocks of many modern technologies that enhance efficiency and sustainability. Neo's advanced industrial materials – magnetic powders and magnets, specialty chemicals, metals, and alloys – are critical to the performance of many everyday products and emerging technologies. Neo's products help to deliver the technologies of tomorrow to consumers today. The business of Neo is organized along three segments: Magnequench, Chemicals & Oxides and Rare Metals.

Neo is headquartered in Toronto, Ontario, Canada; with corporate offices in Greenwood Village, Colorado, United States; Singapore; and Beijing, China. Neo has a global platform that includes ten manufacturing facilities located in Canada, China, Estonia, Germany, Thailand, the United Kingdom, and the United States, as well as one dedicated research and development centre in Singapore.

For more information, please visit www.neomaterials.com.

Cautionary Statements Regarding Forward-Looking Statements (Neo)

This news release may contain "forward-looking information" within the meaning of applicable Canadian securities legislation. Generally, but not always, forward-looking information and statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or the negative connotation thereof or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative connotation thereof. In making the forward-looking information in this news release, the Company has applied certain factors and assumptions that are based on its current beliefs as well as assumptions made by and information currently available to the Company. Although the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect, and the forward-looking information in this release are subject to numerous risks, uncertainties and other factors that may cause future results to differ materially from those expressed or implied in such forward-looking information.

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