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THIRD OFFTAKE MOU AGREEMENT SIGNED WITH QIANDONG RARE EARTH GROUP

Hastings Technology Metals Limited

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Board

Charles Lew (Executive Chairman)

Anthony Ho (Non-Exec Director)

Jean Claude Steinmetz (Non-Exec
Director)

Guy Robertson (Finance Director
and Company Secretary)

HIGHLIGHTS

- Hastings announces its third MOU with Qiandong Rare Earth Group for the future supply of Mixed Rare Earth Carbonate from Hastings' Yangibana project in Western Australia.
- The parties have agreed to enter into discussions to formalise a commercial offtake agreement for Hastings to sell 1,500 tonnes of Mixed Rare Earth Carbonate (MREC) per annum to Qiandong Rare Earth Group.
- This third MOU agreement is for a period of three years with an option to extend for two years.
- Total of three MOUs signed so far represent approximately 40% of planned MREC annual production from Yangibana.

INTRODUCTION

Hastings Technology Metals Limited's (ASX:HAS) (Hastings or the Company) is pleased to advise that it has signed its third Memorandum of Understanding (MOU) with Qiandong Rare Earth Group (GQD). Under the MOU the parties have outlined their intent to enter into a binding commercial offtake agreement for the sale by Hastings and purchase by GQD of Mixed Rare Earth Carbonate ("MREC"), which will be produced from Yangibana, Western Australia. The framework for the commercial offtake agreement is set out in the MOU, and the final terms and conditions will be formalised in a contract.

The Parties have undertaken to negotiate in good faith to reach agreement for a commercial offtake contract within 12 months from the date of the MOU. Pricing for the MREC will be based on a formula taking into account prevailing market prices prior to shipment.

Charles Lew, Hastings Executive Chairman, said "*This third MOU for an offtake agreement with GQD provides confidence that a strong demand market exists for the Company's high quality*

NdPr product. Prices for NdPr have increased by approximately 85% in 2017. Our production samples from the pilot test work earlier in the year contained over 40% NdPr of Total REOs. The exciting news announcement over the weekend of China's plans to set a deadline for the ban of fossil fuel vehicles will accelerate the move towards electric vehicles. This follows similar announcement from France and the UK to ban fossil fuel powered cars. The trend towards the electrification of transportation will lead to an increase in the demand for NdPr through the next decade and beyond, and Hastings will be a new source of NdPr to the market."

The Parties have additionally acknowledged that any commercial offtake agreement is contingent on Hastings starting operations and production of MREC from the Yangibana mine, and with any additional conditions usually included in commercial off-take contracts.

Hastings estimates an annual production quantity of 15,000 tonnes of MREC, which it will sell to offtake partners, with production projected to commence in 2H 2019.

GQD

Qiandong Rare Earth Group(called "GQD" for short), is an established leading manufacturer of rare earth derived products. The company is located in China's ionic clay deposits region of Ganzhou and was founded in March 1988.

GQD, through its 11 subsidiary companies, has formed an advanced rare earth industrial supply chain from mining to finished components. GQD has been able to supply more than 60 different rare earth products and related materials, including rare earth oxides, metals, compounds, alloys, magnetic materials and phosphors, etc.

After nearly 30 years' development, GQD has established business relationships with multiple customers in Asia, America and Europe.

Hastings Technology Metals

Hastings is currently developing a rare earths mine and processing plant at Yangibana in the Gascoyne Region of Western Australia. The processing plant is anticipated to commence production of MREC in 2H 2019. Hastings has completed both beneficiation and hydrometallurgy pilot plants, in the process producing MREC samples which are high in neodymium and praseodymium content. These are critical materials for the production of permanent magnets and other technology applications. The MREC will be capable of being further separated and refined to produce a number of individual rare earth oxides outside of Australia. Hastings estimates an annual production quantity of 15,000 tonnes of MREC which it will sell to offtake partners globally.



The Yangibana Project hosts JORC Resources totalling 17.02 million tonnes at 1.27% TREO (comprising Measured Resources of 2.92 million tonnes at 1.04% TREO, Indicated Resources of 7.19 million tonnes at 1.43% TREO and Inferred Resources of 6.90 million tonnes at 1.21% TREO), including 0.41% of Nd₂O₃+Pr₆O₁₁.

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