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Charles Lew (Executive Chairman)

Jean Claude Steinmetz (Non-Exec
Director)

Neil Hackett (Non-Exec Director and
Company Secretary)

Mal Randall (Non-Exec Director)

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OFFTAKE MOU AGREEMENT SIGNED WITH SCHAEFFLER AG

HIGHLIGHTS

- **Hastings announces its second German offtake MOU and investment with Schaeffler AG (“Schaeffler”) for the future supply of Mixed Rare Earth Carbonate (MREC) from its Yangibana project in Western Australia.**
- **Schaeffler supported Hastings in its eligibility for Euler Hermes German Government UFK loan scheme**

Hastings Technology Metals Limited’s (ASX:HAS) (Hastings or the Company) is pleased to advise that it has signed an offtake Memorandum of Understanding (MOU) with Schaeffler AG. Schaeffler is a global automotive and industrial supplier of high-precision components and systems in engine, transmission, and chassis applications, as well as rolling and plain bearing solutions for a large number of industrial applications, primarily focussed on the automotive industry. In 2018 it generated sales of approximately Euro 14.2 billion with around 92,500 employees, Schaeffler is one of the world’s largest family companies and, with approximately 170 locations in over 50 countries, has a worldwide network of manufacturing locations, research and development facilities, and sales offices.

Under the MOU the parties have outlined their intent to enter into a binding commercial offtake agreement within the next 6 months for the sale and purchase 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. Schaeffler’s intention in entering into an off-take agreement is to ensure reliable supplies of rare earth material in the future.

The Parties have undertaken to negotiate in good faith to reach agreement for a 10 year commercial offtake contract to supply MREC which contains the critical raw materials of neodymium (Nd) and praseodymium (Pr). NdPr is a critical raw material used in the manufacture of permanent magnets, the key component in electric motors.

Schaeffler is also supporting Hastings in its eligibility for the German government’s untied loan guarantee scheme (known as UFK) in its project financing for the construction of its mine and processing plant in the Upper Gascoyne of Western Australia.



Charles Lew, Hastings Executive Chairman, said *“This is a very significant MOU offtake agreement for Hastings. It sets out the basis for long term cooperation with Schaeffler to supply electric drivetrains for the German and global automotive industry. Schaeffler has more than 70 years history in the automotive components business. The company’s founder, Dr Georg Schaeffler invented the roller bearing cage in 1949 and in the mid 60s, introduced the world’s first diaphragm spring clutch which is in use till this day. We are very pleased to be able to work with Schaeffler in its ambition to be a major supplier of electric drivetrains to the e-mobility industry.”*

The Parties have acknowledged that any commercial offtake contract is contingent on Hastings starting operations and production of MREC from the Yangibana mine which is targeted to commence in 2H 2021. Hastings planned annual production capacity is 15,000 tonnes of MREC, which it will sell to offtake partners as well as on the spot market.

About Hastings Technology Metals Limited

Yangibana Project

Hastings Technology Metals Limited (ASX:HAS, Hastings or the Company) is advancing its Yangibana Rare Earths Project in the Upper Gascoyne Region of Western Australia towards production. The proposed beneficiation and hydro metallurgy processing plant will treat rare earths deposits, predominantly monazite, hosting 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 is used in a wide and expanding range of advanced and high-tech products including electric vehicles, wind turbines, robotics, medical applications and others. Hastings aims to become the next significant producer of neodymium and praseodymium outside of China.

Hastings holds 100% interest in the most significant deposits within the overall project, and 70% interest in additional deposits that will be developed at a later date, all held under Mining Leases. Numerous prospects have been identified warranting detailed exploration to further extend the life of the project.

Brockman Project

The Brockman deposit, near Halls Creek in Western Australia, contains JORC Indicated and Inferred Mineral Resources, estimated using the guidelines of JORC Code (2012 Edition).

The Company is also progressing a Mining Lease application over the Brockman Rare Earths and Rare Metals Project.

Hastings aims to capitalise on the strong demand for critical rare earths created by the expanding demand for new technology products.

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

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