HASTINGS
Technology Metals Limited

Hastings Technology Metals Ltd

ABN 43 122 911 399

Interim Financial Report

31 December 2022

Hastings Technology Metals Limited

Contents

DIRECTORS' REPORT

Your Directors submit the interim financial report of the consolidated entity consisting of Hastings Technology Metals Ltd (the "Company" or "Hastings") and the entities it controlled during the period (the "Group") for the half year ended 31 December 2022. Pursuant to the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names of Directors who held office during or since the end of the interim period and to the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Name	Particulars
Mr Charles Lew	Executive Chairman
Mr Guy Robertson	Executive Director
Mr Neil Hackett	Non-executive Director
Mr Bruce McFadzean	Non-executive Director
Mr Malcolm Randall	Non-executive Director
Mr Jean Claude Steinmetz	Non-executive Director

Joint Company Secretaries

Mr Neil Hackett
Mr Guy Robertson

Review of Operations

***Yangibana Project* ("the Project")**

The business continues to remain loss time injury ("LTI") free with no incidents resulting in injury during the half year, with the business now LTI free for 1,614 days.

Environment & Permitting

The environmental focus on the Yangibana site has transitioned from permitting to include compliance with approval conditions, with support being provided to the construction team through the issue of Ground Disturbance Permits, environmental monitoring programs (including groundwater, surface water, dust and vegetation) and environmental inspections.

Baseline and impact studies on the expanded proposed Yangibana mining envelope continued during the period. This included groundwater drawdown modelling and subterranean fauna surveys.

Baseline environmental site assessments were also completed for the Onslow borefield and hydrometallurgical plant sites. Permits for Onslow, including the Native Vegetation Clearing Permit and Works Approval, progressed during the last six months.

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 ("ANSIA") where the Onslow hydrometallurgical plant will be built.

DIRECTORS' REPORT (Continued)

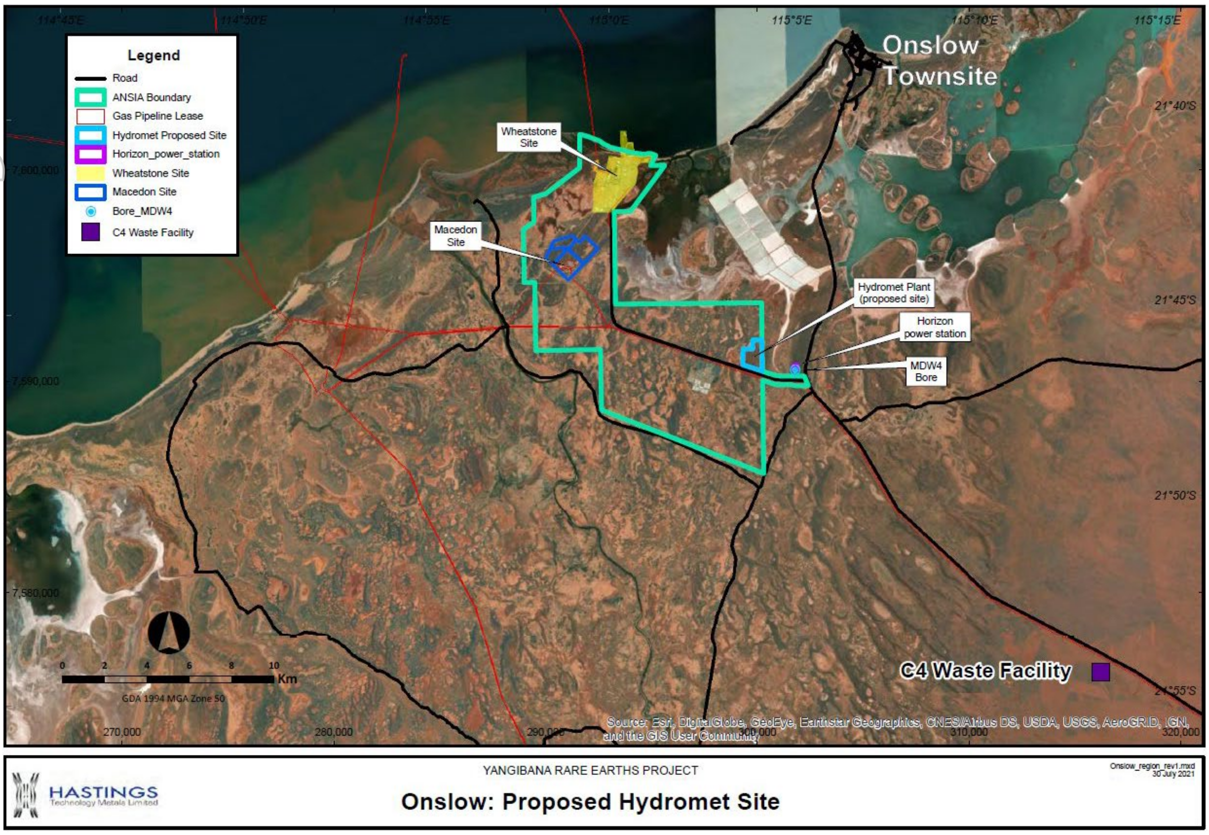

Figure 1. Location of the proposed Onslow Hydrometallurgical Plant

Yangibana Early Works

Executed early works at Yangibana during the period represented early works completion at 63%, and included:

- Site Access Road: Progress continued with the entire alignment trafficable with two lanes;
- Kurrbili Accommodation Village: Phase 1 accommodation and support buildings placed and supplied with power;
- Airstrip: Construction progressed with completion of blasting for rock removal and the arrival in December of a crusher to generate engineered fill and wearing course material; and
- Telecommunications: Construction of the telecommunications package for the tower-based microwave data service to site was completed and commissioned.

Figure 2. Mine Site Airstrip: nearing completion and first operations.

Figure 3. Kurrbilli Accommodation Village: Phase 1 and 2 taking shape.

DIRECTORS' REPORT (Continued)

Figure 3. SipHon borefield in operation

Figure 4. Communications backbone for Yangibana site operational

Onslow Early Works Advanced

Early works at Onslow during the period represent 18% completion, and included:

- Completion of the site geotechnical investigation activities by GALT to support final earthworks and civil design by DRA;
- Award of the Onslow water bore drilling contract and procurement of long lead items to support drilling in Q1 2023; and
- Completion of enabling works at the Onslow water bore site, including site earthworks and construction of office establishment.

Yangibana Project Development

The development of the Yangibana Project continues to ramp up positively, with a focus on the Yangibana airstrip, village, telecommunications, roads and water supply and initial clearing works at the Onslow plant site.

Cost and labour availability pressures continue to remain a concern with difficulties in sourcing certain highly skilled low availability roles. Hastings and DRA Global Limited 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 Hasting's seeing price increases from original equipment manufacturers flowing through.

To strengthen the Hastings' team, senior executives including Interim Chief Executive Officer Alwyn Vorster, Chief Operating Officer Rudolph van Niekerk, and General Counsel Robert Klug were appointed for the next phase of the Yangibana 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.

Road user agreements between Hastings and the Shires of Ashburton, Carnarvon and Upper Gascoyne were executed during the period. Substantial road data was collected through ARRB and the Shires to develop a road upgrade schedule and ongoing road maintenance plan.

DIRECTORS' REPORT (Continued)

Metallurgy

As the Project moves towards the construction phase, the focus continues to be on test programmes and planning for operational readiness and engineering support.

For Beneficiation, flotation chemistry testing programmes to investigate physical and chemical factors affecting metallurgical performance are being completed to develop guidelines for trouble shooting during plant operation and to support a smooth plant ramp-up.

For Hydrometallurgy, a testwork programme is in progress to produced additional samples for marketing purposes. The opportunity is also being taken during this program, to conduct additional vendor testwork and operational readiness testing programs which will provide information for a smooth start-up in full scale commissioning.

As noted last period, drilling programmes conducted over the recent years showed a significant presence of Niobium in the Yangibana ore resources, which may be economic to mine and process. Accordingly, a research programme focused on the recovery of Niobium has continued in this period. A range of minerals processing techniques are being explored to determine whether a saleable Niobium product can be produced. Initial testwork results are promising. The aim of this programme is to determine whether a process could be developed to produce a saleable Niobium product, as a by-product of the rare earths process flowsheet.

During the period, testwork was completed on samples from the resource drilling program to confirm metallurgical performance for input into resource and reserve modelling.

Mineral Resource Estimate

An updated Mineral Resource Estimate of combined Measured, Indicated and Inferred categories of 29.93Mt at 0.93% TREO was announced in October 2022 (ASX announcement titled "*Drilling along 8km long Bald Hill – Fraser's Trend Increases Indicated Mineral Resource by 50%*", 10 October 2022).

The new Mineral Resource estimate (Table 1) is the result of a successful 13,334m drilling campaign at Yangibana during 2021-2022 targeting the 8km long Bald Hill – Simon's Find – Fraser's trend which is in proximity to the process plant and vital for the ore feed required upon Project commissioning.

Total Mineral Resources at the Yangibana project stands at 29.93Mt @ 0.93% TREO.

Table 1: *Total (all 10 deposits) JORC (2012) Mineral Resources October 2022*

Category	M Tonnes	%TREO	%Nd_2O_3+Pr_6O_{11}	TREO t
Measured	4.97	0.96	0.37	47,721
Indicated	19.51	0.88	0.32	171,936
sub-total	24.49	0.90	0.33	219,657
Inferred	5.45	1.05	0.31	57,298
TOTAL	***29.93***	***0.93***	***0.32***	***276,955***

- *Numbers may not add up due to rounding. Includes JV tenement contributions.*
- Reporting of Minerals Resources for Auer, Auer North, Bald Hill, Fraser's, Simon's Find and Yangibana is at a cut-off grade of 0.24% total rare earth oxides (TREO).
- Reporting of Mineral Resources for all other deposits is at 0.2% Nd_2O_3+Pr_6O_{11} cut-off grade.

Hydrological Drilling

Site preparation for drilling of groundwater bores at Onslow borefield at the Ashburton North Strategic Industrial Area has commenced.

DIRECTORS' REPORT (Continued)

Project Finance

A process for limited-recourse project finance funding for the Yangibana Project was initiated in early 2021 with a view to securing a senior project debt facility totalling A$400 million.

In February 2022, the Northern Australia Infrastructure Facility ("NAIF") 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*", 2 February 2022). Hastings announced subsequent to the end of this reporting period that NAIF had approved an increase in the financial support to the Yangibana Rare Earths Project to A$220 million (refer ASX announcement "*NAIF Increases Financial Support for Yangibana Rare Earths Project to A$220 million*", 17 January 2023).

Hastings has continued engagement with several lender groups to secure the balance of the project financing required for the Yangibana Project. Hastings has continued working with potential lenders with the aim to finalise commercial terms, secure final credit approved commitments and reach contractual close on the financing stack ahead of initial drawdown.

Hastings completed a two-tranche placement and share purchase plan in October 2022, raising A$111 million in new equity to progress the Yangibana Project. Equity capital is required to be invested into the Project prior to drawdown of the limited recourse project finance funding.

Commercial

On 11 October 2022, Solvay and Hastings signed a conditional offtake Memorandum of Understanding ("MOU") which outlines the intent of both parties to enter into a binding commercial offtake agreement for the supply of Mixed Rare Earth Carbonate ("MREC"). Under the agreement, the supply of an initial 2,500 tonnes per annum of MREC will be sent from Hastings' Yangibana Project in Western Australia to Solvay's plant in La Rochelle, France.

Solvay recently announced its commitment to expand and upgrade its La Rochelle plant for the production of separated rare earth oxides for the permanent magnets market. This significant investment by Solvay reinforces the determination by the Europeans to create a downstream rare earth magnets manufacturing capability within Europe in the coming years. The partnership agreement with Hastings puts both parties in an advantageous position to explore potential downstream opportunities including magnet production with third parties.

Also in October 2022, Hastings acquired a strategic 19.9% shareholding in Neo Performance Materials Inc ("NEO"), a leading global rare earth processing and advanced permanent magnets producer listed on the Toronto Stock Exchange. Neo is a global leader in the downstream processing of rare earth elements and production of advanced materials, including permanent magnets.

The acquisition was funded by Wyloo Metals Pty Ltd ("Wyloo") via the subscription of $150 million secured, redeemable, exchangeable notes issued by Hastings. Wyloo is a subsidiary of Tattarang Pty Ltd, one of Australia's largest privately owned investment companies with an investment portfolio spanning across agri-food, energy, resources, property, and lifestyle.

Maiden Sustainability Report

During the period, the Company has released the 2022 Sustainability Report as well as an inaugural Climate Change Report. These reports exemplify how committed Hastings is towards ESG performance to our stakeholders.

On the ESG front, Hastings has been ranked 4th out of 159 companies rated in the Diversified Metals Mining subindustry category and placed 9th out of 193 companies in the Diversified Metals industry category by Morningstar Sustainalytics. Hastings released its inaugural annual Sustainability Report in alignment with the release of the Company's Annual Report. Hastings transparently reported its progress against material topics under each of our four sustainability pillars of Governance, Our People, Our Community and the Environment.

Hastings intends to build upon this report year-on-year to continually improve its sustainability performance. Each sustainability report will aim to summarise the Company's annual efforts to meet the expectations of stakeholders, build value for shareholders that extends beyond financial gain, align with international standards such as the Global Reporting Initiative ("GRI") and Task Force on Climate Related Financial Disclosures ("TCFD"), and measure the Company's contribution in part to the United Nations ("UN") Sustainable Development Goals ("SDGs").

COP26 continued to highlight the urgency of transitioning to a lower-carbon economy. This reaffirmed Hastings' mission to be a key enabler of the decarbonisation revolution by bringing its high-quality rare earths elements ("NdPr") to market to contribute towards making the planet healthier for future generations. While the Hastings' team has worked tirelessly to develop the Yangibana Project, the Company is aware that it must also play its part to transition operations to meet the objectives of the Paris Agreement. As a first step, Hastings released its first Climate Change Report during this reporting period.

DIRECTORS' REPORT (Continued)

Terminology used in this report

Total Rare Earths Oxides ("**TREO")** is the sum of the oxides of the light rare earth elements lanthanum (La), cerium (Ce), praseodymium (Pr), neodymium (Nd), and samarium (Sm) and the heavy rare earth elements europium (Eu), gadolinium (Gd), terbium (Tb), dysprosium (Dy), holmium (Ho), erbium (Er), thulium (Tm), ytterbium (Yb), lutetium (Lu), and yttrium (Y).

Competent Persons' Statement

The scientific and technical information that relates to process metallurgy is based on information reviewed by Ms. Narelle Marriott (GM Process Development) of Hastings Technology Metals Limited. Ms Marriott is a member of AusIMM and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined by the 2012 JORC Code. Ms Marriott consents to the inclusion in this announcement of the matters based on their information in the form and context in which it appears.

The information in this announcement that relates to Mineral Resources is based on information compiled by David Princep and Lynn Widenbar. Both Mr Princep and Mr Widenbar are independent consultants to the Company and members of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Princep and Mr Widenbar have sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this announcement and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code"). Consent by Mr Widenbar to include statements in this announcement have been provided in previous announcements entitled "Increase in Measured and Indicated Resources at Yangibana Project" dated 28 November 2018.

Forward Looking Statements

This report contains reference to certain intentions, expectations, future plans, strategy and prospects of the Company. Those intentions, expectations, future plans, strategy and prospects may or may not be achieved. They are based on certain assumptions, which may not be met or on which views may differ and may be affected by known and unknown risks. The performance and operations of the Company may be influenced by a number of factors, many of which are outside the control of the Company. No representation or warranty, express or implied, is made by the Company, or any of its directors, officers, employees, advisors or agents that any intentions, expectations or plans will be achieved either totally or partially or that any particular rate of return will be achieved.

Given the risks and uncertainties that may cause the Company's actual future results, performance or achievements to be materially different from those expected, planned or intended, recipients should not place undue reliance on these intentions, expectations, future plans, strategy and prospects. The Company does not warrant or represent that the actual results, performance or achievements will be as expected, planned or intended.

DIRECTORS' REPORT (continued)

Dividends

No dividends have been paid or declared since the start of the interim period and the Directors do not recommend the payment of a dividend in respect of the interim period.

Operating results for the half year and financial review

The comprehensive loss of the Group for the interim period, after providing for income tax amounted to $71,211,230 (2021: $5,138,095).

The Group's operating income increased to $2,259,894 (2021: $131,530) as a result of interest earned on increased cash assets held.

Expenses increased to $9,270,421 (2021: $5,006,396) primarily because of increased finance costs of $9,962,658 (2021: $10,560). The increase reflects the write-off of $3,941,050 in prior period capitalised borrowing costs and $5,657,234 incurred in the interim period.

Other comprehensive loss increased to $61,940,809 (2021: $169) as a result of the change in the fair value of the investment in Neo Performance Materials Inc.

Capitalised exploration and evaluation costs increased to $74,684,436 (30 June 2022: $71,411,125) reflecting costs incurred for environmental and geology.

Plant and equipment increased to $138,875,150 (30 June 2022: $82,932,086) reflecting costs incurred on early works construction and the ordering of long lead items for the Yangibana Project.

Net assets increased to $316,614,009 (30 June 2022: $282,428,491) reflecting the $111 million in equity raised offset by the movement in the Profit and Loss for the interim period.

Review of financial conditions

As at 31 December 2022 the consolidated entity had approximately $169 million in cash assets ($18 million in cash and cash equivalents and $151 million in other financial assets at amortised costs).

Going concern

Notwithstanding the $169 million in funds held by the Group ($18 million in cash and cash equivalents and $151 million in other financial assets at amortised costs), based on the Group's cash flow forecast the Group will require additional funding in the next 12 months to enable the Group to continue its normal business activities and to ensure the realisation of assets in the ordinary course of business and extinguishment of liabilities as and when they fall due, including progression of its exploration and project evaluation and development activities.

As a result of the above, there is a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern and, therefore, that the entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors are satisfied, however that at the date of signing of the financial report, there are reasonable grounds to believe that the Group will be able to continue to meet its debts as and when they fall due and that it is appropriate for the financial statements to be prepared on a going concern basis.

The Directors have based this determination on the demonstrated historical ability of the Group to raise new capital, the intention to raise new capital in the short term via equity issues, the increased financial support ($220 million) from the Northern Australia Infrastructure Facility as announced 17 January 2023, and the assessment of the probability of additional executing project financing.

The attached interim financial report for the period ended 31 December 2022 contains an independent auditor's review report which highlights the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. For further information, refer to Note 1(b) to the financial statements, together with the auditor's review report.

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Technology Metals Limited

DIRECTORS' REPORT (continued)

Significant changes in the state-of-affairs

The following summary of events were significant milestones in the state-of-affairs of the Group during the interim period:

- Hastings appointed Interim Chief Executive Officer Alwyn Vorster in November 2022;
- The Group raised $111 million through a two-tranche placement and a share purchase plan;
- Solvay and Hastings signed a Memorandum Of Understanding ("MOU") for the supply of MREC;
- Wyloo Metals Pty Ltd provided funding to the Group via the issuance of $150 million in secured, redeemable, exchangeable notes;
- The Group acquired a 19.9% shareholding in Neo Performance Materials Inc., a leading global rare earth processing and advanced permanent magnets producer listed on the Toronto Stock Exchange; and
- Hastings released its inaugural climate change report.

Significant events after balance sheet date

In February 2022, the Northern Australia Infrastructure Facility ("NAIF") board approved loan support for A$140 million subject to pre-completion conditions. Hastings announced subsequent to the end of this reporting period that NAIF had approved an increase in the financial support to the Yangibana Rare Earths Project to A$220 million (refer ASX announcement "*NAIF Increases Financial Support for Yangibana Rare Earths Project to A$220 million*", 17 January 2023).

On 25 January 2023, Hastings completed the acquisition of Cadence Minerals Plc's 30% interest in the Yangibana Joint Venture tenements. Hastings now holds a 100% interest across the entire Yangibana Rare Earth Project tenement package.

On 6 February 2023, the Company announced a 25% increase in ore reserves to 20.93Mt at 0.90% Total Rare Earth Oxide grade. This increase in ore reserves will extend the mine life to 17 years (ASX announcement titled "*Yangibana Ore Reserves Increase By 25%*" 6 February 2023).

Other than as outlined above, there are no matters or circumstances that have arisen since the end of the financial period that have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or state of affairs of the consolidated entity in future financial periods.

Auditor's Independence and Non-Audit Services

Section 307C of the Corporations Act 2001 requires our auditors, PricewaterhouseCoopers, to provide the Directors of the Company with an Independence Declaration. This Independence Declaration is set out on page 11 and forms part of this Directors' report for the interim period ended 31 December 2022.

Signed in accordance with a resolution of the Directors.

Charles Lew
Executive Chairman
15 March 2023

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Auditor's Independence Declaration

As lead auditor for the review of Hastings Technology Metals Ltd for the half-year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Hastings Technology Metals Ltd and the entities it controlled during the period.

Helen Bathurst

Helen Bathurst
Partner
PricewaterhouseCoopers

Perth
15 March 2023

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HASTINGS Technology Metals Limited

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Notes	Consolidated 2022 $	Consolidated 2021 $
Continuing operations			
Other income	2	2,259,894	131,530
Administration expenses		(521,706)	(372,307)
Insurance		(800,857)	(120,429)
Depreciation – plant and equipment		(90,888)	(77,739)
Depreciation – right-of-use assets		(100,699)	(102,747)
Directors’ fees		(919,346)	(478,699)
Occupancy expenses		(101,936)	(89,279)
Employee benefits expense		(2,936,648)	(1,445,766)
Legal fees		(457,088)	(72,240)
Consulting and professional fees		(283,018)	(341,929)
Travel expenses		(169,100)	(27,995)
Share-based payments		1,263,010	(2,129,766)
Fair value gain on foreign exchange forward	3	4,855,316	-
Fair value loss on embedded derivatives	8	(1,304,697)	-
Finance costs	4	(9,962,658)	(10,560)
Loss before income tax expense		(9,270,421)	(5,137,926)
Income tax benefit		-	-
Net loss for the period		**(9,270,421)**	**(5,137,926)**
Other comprehensive loss			
Changes in the fair value of equity investments at fair value through other comprehensive income	6	(61,949,654)	-
Exchange gain/(loss) on translation of foreign operations		8,845	(169)
Other comprehensive loss for the period		**(61,940,809)**	**(169)**
Total comprehensive loss for the period		**(71,211,230)**	**(5,138,095)**
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic and diluted loss per share (cents per share)[1]		(8.57)	(5.91)

The accompanying notes form part of these financial statements.

[1]Values reflect a post consolidation 1:20 capital restructure on 23 May 2022

HASTINGS Technology Metals Limited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Notes	Consolidated 31 December 2022 $	30 June 2022 $
Assets			
Current assets			
Cash and cash equivalents		18,114,096	119,866,547
Trade and other receivables		9,673,432	8,587,476
Other financial assets at amortised cost	5	151,000,000	15,000,000
Total current assets		**178,787,528**	**143,454,023**
Non-current assets			
Plant and equipment		138,875,150	82,932,086
Right-of-use assets		1,222,895	540,308
Financial assets at fair value through other comprehensive income	6	93,836,858	-
Deferred exploration and evaluation expenditure	7	74,684,436	71,411,125
Total non-current assets		**308,619,339**	**154,883,519**
Total assets		**487,406,867**	**298,337,542**
Liabilities			
Current liabilities			
Trade and other payables		14,425,006	11,891,030
Lease liabilities		571,320	204,655
Employee benefit obligations		422,916	341,475
Rehabilitation provision		763,317	-
Total current liabilities		**16,182,559**	**12,437,160**
Non-current liabilities			
Borrowings	8	118,770,831	-
Derivative liability held for trading	8	31,831,168	-
Lease liabilities		708,000	385,699
Rehabilitation provision		3,135,541	2,957,581
Employee benefit obligations		164,759	128,611
Total non-current liabilities		154,610,299	3,471,891
Total Liabilities		**170,792,858**	**15,909,051**
Net Assets		**316,614,009**	**282,428,491**
Equity			
Issued capital	10	425,450,668	318,790,910
Reserves	10	(61,820,320)	1,657,446
Accumulated losses		(47,016,339)	(38,019,865)
Total Equity		**316,614,009**	**282,428,491**

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2022

Consolidated	Notes	Issued Capital $	Accumulated Losses $	Fair Value Reserve $	Option Reserve $	Share Based Payment Reserve $	Total $
Balance at 30 June 2022		**318,790,910**	**(38,019,865)**	**-**	**-**	**1,657,446**	**282,428,491**
Loss for the period		-	(9,270,421)	-	-	-	(9,270,421)
Other comprehensive loss		-	8,845	(61,949,654)	-	-	(61,940,809)
Total comprehensive loss for the period		**-**	**(9,261,576)**	**(61,949,654)**	**-**	**-**	**(71,211,230)**
Shares/options issued during the period		111,000,000	-	-	-	-	111,000,000
Transaction costs on share issue	9	(4,340,242)	-	-	-	-	(4,340,242)
Share based payments	9	-	265,102	-	-	(1,528,112)	(1,263,010)
Balance at 31 December 2022		**425,450,668**	**(47,016,339)**	**(61,949,654)**	**-**	**129,334**	**316,614,009**
Balance at 30 June 2021		**242,275,502**	**(28,629,248)**	**-**	**6,790,066**	**1,495,109**	**221,931,429**
Loss for the period		-	(5,137,926)	-	-	-	(5,137,926)
Other comprehensive loss		-	(169)	-	-	-	(169)
Total comprehensive loss for the period		**-**	**(5,138,095)**	**-**	**-**	**-**	**(5,138,095)**
Shares/options issued during the period		-	-	-	-	-	-
Exercise of options		5,020	-	-	(997)	-	4,023
Transaction costs on share issue		(30,000)	-	-	-	-	(30,000)
Share based payments		-	32,316	-	-	2,097,450	2,129,766
Balance at 31 December 2021		**242,250,522**	**(33,735,027)**	**-**	**6,789,069**	**3,592,559**	**218,897,123**

The accompanying notes form part of these financial statements.

HASTINGS Technology Metals Limited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Note	Consolidated 2022 $	2021 $
Cash flows from operating activities			
Payments to suppliers and employees		(9,503,428)	(3,876,400)
Interest and finance costs paid		(4,296)	(1,994)
Interest received		814,064	97,497
Net cash used in operating activities		(8,693,660)	(3,780,897)
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		(2,678,501)	(3,365,872)
Payments for plant and equipment		(53,267,614)	(6,897,545)
Net payments for other financial assets at amortised cost	5	(136,000,000)	-
Receipts from other financial assets at amortised cost		-	37,000,000
Net receipt from fair value gain on foreign exchange forward	3	4,855,316	-
Payments for financial assets at fair value through other comprehensive income	6	(155,786,512)	-
Net cash (used in)/provided investing activities		(342,877,311)	26,736,583
Cash flows from financing activities			
Proceeds from issue of shares and options net of issue costs		106,560,158	(25,978)
Proceeds from borrowings net of costs		143,351,978	-
Principal elements of lease payments		(100,375)	(111,572)
Net cash provided by/(used in) financing activities		249,811,761	(137,550)
Net (decrease)/increase in cash held		(101,759,210)	22,818,136
Foreign exchange gain		6,759	2,284
Cash and cash equivalents at the beginning of the period		119,866,547	28,067,095
Cash and cash equivalents at the end of the period		18,114,096	50,887,515

The accompanying notes form part of these financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

These interim condensed consolidated financial statements for the half year ended 31 December 2022 have been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 30 June 2022 and any public announcements made by the Group during the interim reporting period in accordance with the conditions disclosure requirements of the *Corporation Act 2001*.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2022, with the exception of financial assets at fair value through other comprehensive income (note 6) and derivatives (note 3).

(b) Going Concern

The consolidated financial statements have been prepared on a going concern basis which contemplates the realisation of assets and the settlement of liabilities in the normal course of business.

As disclosed in the condensed consolidated financial statements, the Group incurred a net loss for the period of $9,270,421 (2021: net loss of $5,137,926), had net cash outflows from operating activities of $8,693,660 (2021: $3,780,897), net cash outflows from investing activities of $342,877,311 (2021: net cash inflows of $26,736,583), and net cash inflows from financing activities of $249,811,761 (2021: net cash outflows of $137,550) for the half year ended 31 December 2022. As at 31 December 2022, the Group had outstanding commitments for project construction contracts of $77,520,034 (2021: $14,275,005). Outstanding commitments are all due within 12 months.

Based on the Group's cash flow forecast the Group will require additional funding in the next 12 months to enable the Group to continue its normal business activities and to ensure the realisation of assets in the ordinary course of business and extinguishment of liabilities as and when they fall due, including progression of its exploration and project development activities.

The Group has net working capital as at 31 December 2022 of approximately of $169 million (inclusive of $151 million in other financial assets at amortised cost), and based on the factors outlined below the Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report:

- The intention to raise new capital in the short term via equity issues and the Group's demonstrated historical ability to raise new capital; and
- The probability of executing additional project financing, in addition to the $220 million financial support from Northern Australia Infrastructure Facility as announced 17 January 2023.

As a result of the above, there is a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern and, therefore, that the entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

However, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classifications of recorded assets and liabilities that might be necessary if the Group does not continue as a going concern.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(c) Statement of Compliance

The interim condensed consolidated financial report was authorised for issue by the Board on 15 March 2023. The Board has the power to amend the financial statements after their issue.

(d) Adoption of new and revised standards

A number of amended standards became applicable for the current reporting period. The group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

(e) Impact of standards issued but not yet applied by the entity

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 30 June 2023 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 2: OTHER INCOME

	Consolidated Half Year 2022 $	Consolidated Half Year 2021 $
Interest income[1]	2,259,894	131,530

[1]Interest income is solely derived within Australia.

NOTE 3: FAIR VALUE GAIN ON FOREIGN EXCHANGE FORWARD

	Consolidated Half Year 2022 $	Consolidated Half Year 2021 $
Realised gain on foreign exchange forward	4,855,316	-

A foreign exchange forward was entered into on 29 August 2022 to provide surety of value of the Canadian Dollar settlement proceeds for the acquisition of the equity interest in Neo Performance Materials Inc. (refer Note 6). The forward was for AUD150,724,336:CAD134,611,905 and settled on 11 October 2022.

Foreign exchange forwards are only used for economic hedging purposes and not as speculative investments. Where forwards do not meet the hedge accounting criteria, they are classified as "held for trading" for accounting purposes and are accounted for at fair value through profit or loss. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

NOTE 4: FINANCE COSTS

	Consolidated Half Year 2022 $	Consolidated Half Year 2021 $
Lease interest	19,085	1,994
Borrowing costs (refer Note 8)	5,945,324	-
Debt funding costs written-off[1]	3,954,995	-
Present valuation of rehabilitation provision	43,241	3,095
Transaction costs	13	5,471
	9,962,658	10,560

[1]Debt funding costs written-off relate to costs incurred in the current and prior periods capitalised to the balance sheet as part of the effective interest rate method on expected debt funding. As expectations of specific debt funding options decrease, the related costs are expensed.

NOTE 5: OTHER FINANCIAL ASSETS AT AMORTISED COST

	31 December 2022 $	30 June 2021 $
Term deposits with maturity terms >3 months	151,000,000	15,000,000

Cash funds not intended to be utilised within the short term are placed in term deposits with maturity based on when the cash funds are forecast to be required. Term deposits with >3 month maturity terms are classified as Other Financial Assets At Amortised Cost.

As at 31 December 2022, there were 7 term deposits with maturity periods between 90 – 243 days and an average interest rate of 4% p.a.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 6: FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	31 December 2022 $	30 June 2022 $
Equity securities		
Listed securities – Neo Performance Materials Inc.		
Purchase costs	155,786,512	-
Changes in the fair value of equity investments at fair value through other comprehensive income	(61,949,654)	-
Fair value at end of period	93,836,858	-

Equity securities which are not held for trading and which the Group has irrevocably elected at initial recognition to recognise as financial assets at fair value through other comprehensive income are strategic investments.

At initial recognition, the group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

On disposal of these equity investments, any related balance within the Fair Value Other Comprehensive Income Reserve is to be reclassified to retained earnings.

Neo Performance Materials Inc.

In October 2022, the Group purchased a 19.9% strategic interest in Neo Performance Materials Inc ("NEO") for CAD134,611,905, representing CAD15.00 per common share. NEO is a leading global rare earth processing and advanced permanent magnet producer listed on the Toronto Stock Exchange.

The Board has assessed the Group as not having significant influence over NEO as the Group:

1. Maintains less than 20% of the voting power in NEO;
2. Does not have Board representation in NEO;
3. Does not participate in any policy-making processes in NEO;
4. Does not interchange with NEO personnel; and
5. Does not share technical information with NEO.

NOTE 7: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2022 $	30 June 2022 $
Costs carried forward in respect of areas of interest in the following phases:		
Exploration and evaluation phase – at cost		
Balance at beginning of period	71,411,125	64,704,236
Exploration expenditure	3,098,110	7,475,783
Rehabilitation provision	332	(200,505)
Less research and development tax offset	-	(568,389)
Total deferred exploration and evaluation expenditure	**74,684,436**	**71,411,125**

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 8: BORROWINGS

Convertible Notes - Secured	31 December 2022 $	30 June 2022 $
Face value of initial notes issued	154,028,806	-
Transaction costs	(6,648,022)	-
Fair value of embedded derivative at issue date	(30,526,471)	-
	116,854,313	-
Interest expense	5,945,324	-
Interest paid	(4,028,806)	-
Non-current liability	118,770,831	-

The Group issued 150,000,000 secured, redeemable exchangeable notes with a face value of $150,000,000 on 11 October 2022. The notes are convertible into ordinary shares of the Company, at the option of the holder, for $5.50 per share and have a maturity date of 11 October 2025.

Interest on the outstanding value of the notes will accrue at the rate equivalent to the 3-month BBSY plus 9% per annum and is to be paid-in-kind via the issue of additional notes on a quarterly basis subject to a cash payment election. $4,028,806 of interest was paid-in-kind as convertible notes on 31 December 2022.

The notes were used to fund the purchase of, and secured against, the Group's interest in Neo Performance Materials Inc. (refer Note 6).

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.

Embedded Derivatives

Embedded within the convertible notes are embedded derivatives relating to the exchange rights and redemption rights of the notes. The initial fair value of the embedded derivatives have been estimated using option pricing models with subsequent fair value movements recognised in profit and loss.

Embedded Derivatives - Held For Trading	31 December 2022 $	30 June 2022 $
Fair value of embedded derivative at issue date	30,526,471	-
Fair value loss through profit or loss	1,304,697	
Non-current liability	31,831,168	

NOTE 9: ISSUED CAPITAL

Ordinary shares

Movements in the ordinary shares were as follows:

	31 December 2022 $	30 June 2022 $
Balance at beginning of period	318,790,910	242,275,502
Shares issued – placement	110,000,000	40,000,000
Shares issued – purchase plan	1,000,000	-
Shares issued on vesting of performance rights	-	2,113,601
Exercised options	-	36,266,565
Less share issue costs	(4,340,242)	(1,864,758)
Balance at end of period	**425,450,668**	**318,790,910**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 9: ISSUED CAPITAL (continued)

Movements in ordinary shares were as follows:	31 December 2022 No.	30 June 2022 No.
At beginning of period	101,448,625	1,738,455,928
Shares issued – placement	25,000,000	160,000,000
Shares issued – purchase plan	227,239	-
Shares issued on vesting of performance rights	-	12,583,333
Exercised options	-	117,905,998
1:20 Consolidation	-	(1,927,496,634)
Balance at end of period	**126,675,864**	**101,448,625**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up the company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value with the Company not having a limited amount of authorised capital.

Fair value reserve

Movements in the fair reserve were as follows:	31 December 2022 $	30 June 2022 $
Changes in the fair value of equity investments at fair value through other comprehensive income (refer Note 6)	(61,949,654)	-
Balance at end of period	(61,949,654)	-

Options reserve

Movements in the options reserve were as follows:	31 December 2022 $	30 June 2022 $
Balance at beginning of period	-	6,790,066
Exercised options	-	(6,790,066)
Balance at end of period	-	-

Movements in the options reserve were as follows:	31 December 2022 No.	30 June 2022 No.
Balance at beginning of period	-	126,651,415
Exercised options	-	(126,651,415)
Balance at end of period	-	-

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 9: ISSUED CAPITAL (continued)

Share based payments reserve

Movements in share-based payments reserve were as follows:	31 December 2022 $	30 June 2022 $
Balance at beginning of period	1,657,446	1,495,109
Performance rights vested – transferred to issued capital	-	(2,113,601)
Performance rights lapsed – transferred from accumulated losses	(265,102)	(35,602)
Value of performance rights issued during the period	(1,263,010)	2,311,540
Balance at end of period	129,334	1,657,446

The share-based payments reserve is used to record the value of equity benefits provided to employees and Directors as part of remuneration.

Movements in performance rights were as follows:	31 December 2022 No.	30 June 2022 No.
Balance at beginning of period	1,560,021	37,965,000
Performance rights forfeited or cancelled during the period	(321,833)	-
Performance rights issued during the period	100,000	8,043,750
Performance rights vested during the period	-	(12,583,333)
Performance rights lapsed during the period	-	(2,225,000)
1:20 Consolidation	-	(29,640,396)
Balance at end of period	1,338,188	1,560,021

i. No performance rights were issued to Directors during the interim period. An expense of $414,537 was recognised for the interim period ended 31 December 2022 (2021: $1,382,125) in relation to the Directors' performance rights.

ii. Details of the employees' issued performance rights during the interim period are as follows:

Date granted	Value per share	Performance period ended
1 December 2022	$3.81	1 July 2023

Vesting occurs up until the end of the last performance period ended 1 July 2023, with a nil exercise price, if the following performance conditions are met:

Non-market based performance conditions

- 25,000 performance rights will vest on the successful implementation of a project cost control system;
- 25,000 performance rights will vest if the Company has secured sufficient funding to continue site Yangibana Project development;
- 25,000 performance rights will vest upon demonstrating the CAPEX and schedule are within 5% of budget;
- Up to 25,000 performance rights will vest based on the Executive Chair's discretion.

The vesting of employee performance rights is conditional on non-market based performance conditions. These performance conditions are key objectives for each employee.

An expense of $848,472 (2021: $747,642) was recognised during half year ended 31 December 2022 in relation to employee performance rights.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 9: ISSUED CAPITAL (continued)

Reserve balances

	31 December 2022 $	30 June 2022 $
Fair value reserve	(61,949,654)	-
Share based payments reserve	129,334	1,657,446
Balance at end of period	(61,820,320)	1,657,446

NOTE 10: SEGMENT REPORTING

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board in assessing performance and in determining the allocation of resources.

The operating segments are identified by the Board based on the nature of its interests and projects. Discrete financial information about each of these projects is reported to the executive management team on at least a monthly basis.

Location of interests and nature of projects

Yangibana Project

Hastings owns the Yangibana Rare Earths Project in the Gascoyne region of Western Australia through the 100% ownership of fifteen (15) Exploration Licenses, one (1) Prospecting License, and ten (10) Mining Leases and through a 70% held joint venture with Cadence Minerals Plc's ("Cadence") comprising seven (7) granted Exploration Licences and three (3) Mining Leases, in all covering an area of approximately 570 square kilometers.

As announced on the 25 January 2023, Hastings completed the acquisition of Cadence's 30% interest in the Yangibana Joint Venture tenements. Hastings now holds a 100% interest across the entire Yangibana Rare Earth Project tenement package.

Hastings also holds two Exploration Licences under the 100% owned entity Ark Gold Pty Ltd, which are approximately 15km southeast of the Yangibana Project and cover an area of 85 square kilometers.

Brockman Project

Hastings is the owner of the Brockman Rare Earths Project, comprising of one Exploration Licence Application, ten (10) wholly owned Prospecting Licenses, and one (1) Mining Lease Application in the East Kimberley region of Western Australia. The project hosts significant Mineral Resources reported under the JORC2012 Code of the rare metals zircon, niobium and tantalum, and the heavy rare earth yttrium.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 10: SEGMENT REPORTING (continued)

Accounting policies and inter-segment transactions

The accounting policies used by the Group in reporting segments internally are the same as those contained in Note 1 to the financial statements and in the prior period.

Project segments	Brockman Project $	Yangibana Project $	Unallocated $	Total $
31 December 2022				
Revenue				
Interest and other income	-	-	2,259,894	2,259,894
Total segment revenue	-	-	2,259,894	2,259,894
Expenses				
Administration	-	(5,278,617)	(6,251,698)	(11,530,315)
Total segment expenses	-	(5,278,617)	(3,991,804)	(9,270,421)
Income tax benefit	-	-	-	-
Other comprehensive expense	-	-	(61,940,809)	(61,940,809)
Segment result	-	(5,278,617)	(65,932,613)	(71,211,230)

Project segments	Brockman Project $	Yangibana Project $	Unallocated $	Total $
31 December 2022				
Cash flows used in operating activities	-	-	(8,693,660)	(8,693,660)
Cash flows used in investing activities	(5,388)	(55,940,727)	(286,931,196)	(342,877,311)
Cash flows from financing activities	5,388	55,940,727	193,865,646	249,811,761
Segment assets	15,272,999	205,948,198	266,185,670	487,406,867
Segment liabilities	-	20,190,859	150,601,999	170,792,858
Acquisition of exploration assets	5,388	3,092,721	-	3,098,109
Acquisition of property, plant and equipment	-	55,262,556	88,429	55,350,985

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 10: SEGMENT REPORTING (continued)

Project segments	Brockman Project $	Yangibana Project $	Unallocated $	Total $
31 December 2021				
Revenue				
Interest and other income	-	-	131,530	131,530
Total segment revenue	-	-	131,530	131,530
Expenses				
Administration	-	(2,678,593)	(2,590,863)	(5,269,456)
Total segment expenses	-	(2,678,593)	(2,590,863)	(5,269,456)
Income tax benefit	-	-	-	-
Other comprehensive expense	-	-	(169)	(169)
Segment result	-	(2,678,593)	(2,459,502)	(5,138,095)

Project segments	Brockman Project $	Yangibana Project $	Unallocated $	Total $
31 December 2021				
Cash flows used in operating activities	-	-	(3,780,897)	(3,780,897)
Cash flows used in investing activities	(8,804)	(10,254,613)	37,000,000	26,736,583
Cash flows from financing activities	8,804	10,272,221	(10,400,967)	(137,550)
Segment assets	15,261,044	127,831,329	80,626,471	223,718,844
Segment liabilities	-	4,821,721	-	4,821,721
Acquisition of exploration assets	8,804	3,270,074	-	3,278,878
Acquisition of property, plant and equipment	-	7,306,367	111,543	7,417,910

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 11: DIVIDENDS

The Directors of the Group have not declared any dividend for the half year ended 31 December 2022 (31 December 2021: Nil).

NOTE 12: CONTINGENT LIABILITIES

There are no contingent liabilities at period end (2021: Nil).

NOTE 13: EVENTS SUBSEQUENT TO REPORTING DATE

In February 2022, the Northern Australia Infrastructure Facility ("NAIF") board approved loan support for A$140 million subject to pre-completion conditions. Hastings announced subsequent to the end of this reporting period that NAIF had approved an increase in the financial support to the Yangibana Rare Earths Project to A$220 million (refer ASX announcement "*NAIF Increases Financial Support for Yangibana Rare Earths Project to A$220 million*", 17 January 2023).

On 25 January 2023, Hastings completed the acquisition of Cadence Minerals Plc's 30% interest in the Yangibana Joint Venture tenements. Hastings now holds a 100% interest across the entire Yangibana Rare Earth Project tenement package.

On 6 February 2023, the Company announced a 25% increase in ore reserves to 20.93Mt at 0.90% Total Rare Earth Oxide grade. This increase in ore reserves will extend the mine life to 17 years.

Other than as outlined above there are no matters or circumstances that have arisen since the end of the financial period that have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or state of affairs of the consolidated entity in future financial periods.

NOTE 14: RELATED PARTY DISCLOSURE

	Consolidated	
	2022 $	2021 $
Office rental and administration expenses[1]	54,460	43,566
Finance costs	-	150

[1]Office rental and administration expenses were paid to Equator Capital Pte Ltd, a company associated with the Chairman, Charles Lew. These fees are commensurate with those charged on an arm's length basis.

	31 December 2022 $	30 June 2022 $
Right-of-use asset[2]	58,474	-
Current lease liability[2]	(59,170)	-

[2]The landlord of the Group's Singapore office is Equator Capital Pte Ltd, a company associated with the Chairman, Charles Lew. The lease is commensurate with those on an arm's length basis.

NOTE 15: OUTSTANDING COMMITMENTS

As of 31 December 2022, the Group had outstanding commitments for project construction contracts of $77,520,034 (2021: $14,275,005). The outstanding commitments are all due within 12 months.

HASTINGS
Technology Metals Limited

DIRECTORS' DECLARATION

In the opinion of the Directors of Hastings Technology Metals Ltd ('the Company or the Group''):

a. The financial statements and notes thereto, as set out on pages 11 to 25, are in accordance with the *Corporations Act 2001* including:

   i. giving a true and fair view of the Group's financial position as at 31 December 2022 and of the performance of the Group for the half year then ended; and

   ii. complying with Accounting Standards, the *Corporations Regulations 2001*, and other mandatory professional reporting requirements; and

b. Subject to the matters set out in Note 1(b) to the Financial Statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the *Corporations Act 2001*.

Charles Lew
Executive Chairman
15 March 2023

Independent auditor's review report to the members of Hastings Technology Metals Ltd

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Hastings Technology Metals Ltd (the Company) and the entities it controlled during the half-year (together the Group), which comprises the Condensed consolidated statement of financial position as at 31 December 2022, the Condensed consolidated statement of changes in equity, Condensed consolidated statement of cash flows and Condensed consolidated statement of profit or loss and other comprehensive income for the half-year ended on that date, significant accounting policies and explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Hastings Technology Metals Ltd does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date

2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty relating to going concern

We draw attention to Note 1(b) in the half-year financial report, which indicates that the Group incurred a net loss of $9,270,421, had net cash outflows from operating activities of $8,693,660 and net cash outflows from investing activities of $342,877,311 for the half year ended 31 December 2022 and, as of that date, the Group had outstanding commitments for project construction contracts of $77,520,034. The Group will require additional funding in the next 12 months to enable the Group to continue its normal business activities. These conditions, along with other matters set forth in Note 1(b), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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pwc

Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Pricewaterhouse Coopers

PricewaterhouseCoopers

Helen Bathurst

Helen Bathurst
Partner

Perth
15 March 2023