Hastings Technology Metals secures Australian Government Funding for Yangibana, World's Richest NdPr Deposit

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Many are now asking will Hastings Technology Metals Ltd. (ASX: HAS) ("Hastings") be Australia's next rare earths producer?

The answer is 'maybe yes' after the Company announced on February 2, 2022: "NAIF approves $140 million loan for Yangibana Rare Earths Project……NAIF loan forms part of A$300-400 million of total debt financing required for Yangibana."

Yangibana is the first Australian rare earths project to receive NAIF funding. The above mentioned Northern Australia Infrastructure Facility (NAIF) loan has a 12½-year tenure and is subject to pre-completion conditions.

Hastings stated: "Yangibana early works construction and design for long-lead items underway in anticipation of plant construction commencing in September 2022 Quarter." The NAIF loan first drawdown is expected to occur in early 2023, aligned to the Yangibana funding schedule.

Hastings states about its planned project: "The Yangibana project, which comprises a mine and beneficiation plant at the Yangibana site and a hydrometallurgical plant at the Ashburton North Strategic Industrial Area (ANSIA) near Onslow, will become Australia's second rare earths producer and expands the country's strategic capability in downstream processing of rare earths minerals."

More about Hastings Technology Metals Ltd.

Hastings controls two rare earth projects in Western Australia. They are the Yangibana and Brockman Projects. The more advanced Yangibana Project contains a predominance of neodymium, praseodymium, dysprosium and europium.

The Yangibana Project (mine, beneficiation plant, and hydrometallurgical plant) – Western Australia

Hastings state: "Yangibana has the world's highest composition of neodymium and praseodymium and is located in the Tier 1 mining jurisdiction in Western Australia." The significance here is that neodymium and praseodymium (NdPr) are the highly valued magnet metals.

The Yangibana Project Proven & Probable Reserve is 16.7Mt at 0.95% TREO (0.35% NdPr oxide) for a total contained 158,419 t TREO. The Total Mineral Resource has a contained TREO of 266,417 t (at 0.97% TREO).

Yangibana Project has great metrics – Has a 37% NdPr content – double the world average

Source: Company presentation

The Yangibana Project's CapEx is estimated at A$516 million (A$67 million contingency) but is currently being revised. The Project's November 2019 NPV was A$549 million (IRR 21.1%). NdPr prices have increased significantly since then, so updated Project economics are expected soon.

The Yangibana Project is planned to have a 1.2Mtpa ore throughput, a 15 year mine life, ~15,000 tpa of MREC production, ~8,500 tpa TREO production and 3,400tpa NdPr production.

Commissioning is targeted for 2024, subject to final project funding.

Hastings' Yangibana Rare Earths Project and their planned Onslow hydromet plant in Western Australia

Source: Company presentation

Hastings has commenced early site works at Yangibana (Mining Proposal has been approved) and recently received Commonwealth environmental approvals to develop the hydrometallurgical plant site at ANSIA near Onslow. Subject to funding, Hastings intends to then commence construction of the beneficiation plant and the hydrometallurgical plant.

On February 2, 2022, Hastings Executive Chairman Charles Lew, stated

"The commitment by NAIF will enable Hastings to finalise the funding requirements for Yangibana's development and move into full-scale construction throughout 2022, with the objective of delivering first production by 2024. Yangibana is an amazing, rare earths, opportunity that will supply the world's highest composition neodymium and praseodymium concentrate to Tier 1 customers in Europe and Asia. This is an exciting time not just for Hastings but for Australia's emerging rare earths sector. We look forward to finalizing the funding arrangements that will enable the Hastings' Board to make a final investment decision in the coming months."

Hastings Technology Metals investment highlights (as of November 25, 2021)

Source: Company presentation

Note: The 52% NdPr to TREO ratio refers to the highest-grade deposit within Yangibana called Simon's Find, which contains 52% of rare earths as NdPr. It potentially provides strong early cash flows to the Project.

Closing remarks

Hastings Technology Metals certainly looks well on the way to becoming Australia's next rare earths producer, and only the second one following on from the very successful Lynas Rare Earths Limited (ASX: LYC) (market cap ~A$8 billion).

Hastings ticks all the right boxes in terms of a great resource, high NdPr content, location, integrated project, off-take contracts signed, and now is getting closer to achieving project funding (awaiting final credit-approved commitments from lenders' consortium) with only minor regulatory approvals remaining. Executive Chairman Charles Lew owns 7.1% of the Company so that is also a great endorsement.

All going well Hastings could begin Yangibana Project construction in 2022 (September Quarter 2022) and commercial production in 2024. Hastings Technology Metals trades on a market cap of A$516 million and looks set to have a very big 2022.