

**Cadence Minerals Plc**

**("Cadence Minerals", "Cadence", or "the Company")**

**Corporate Update - Hastings Technology Metals**

Cadence Minerals (AIM/NEX: KDNC; OTC: KDNCY) is pleased to note the announcement by Hastings Technology Metals (ASX: HAS) ("Hastings") that it has introduced a staged development strategy to reduce delivery risk and enable faster pathway to cash flow for the Yangibana Rare Earths Project.

**Highlights:**

- Results of the project capital and delivery model review support a staged development strategy for the Yangibana Rare Earths Project
- This strategy will reduce upfront capital requirements and project execution risks as well as providing a faster pathway to cash flow by Q1 2025
- Initial focus will be on construction of the Yangibana mine and beneficiation plant to produce rare earths concentrate (Stage 1), followed by development of a hydrometallurgical plant to produce mixed rare earth carbonate (Stage 2)
- Total project capital cost is now estimated at \$948m, with the Stage 1 component being \$470m (a 40% increase to the estimate from 2020/21)
- Fixed price contracting model aims to minimise risk of further capital cost increases, demonstrated by the recent arrangement with GR Engineering for construction of the beneficiation plant
- Beneficiation plant construction to commence in Q3 CY2023, supporting Stage 1 concentrate delivery target date of Q1 CY2025
- Concentrate offtake discussions underway with rare earth oxides producers in Australia and offshore with a view to concluding firm contracts prior to drawdown of project finance debt in early 2024
- Potential for strong Stage 1 financial returns with post-tax NPV11 of \$538m, an IRR of 27.54% and average annual EBITDA of \$174m providing a funding source for Stage 2.

Link [here](#) to view the full Hastings announcement

**Hastings Executive Chairman Charles Lew commented:** "The Yangibana Rare Earths Project is one of the world's most advanced greenfield rare earth projects and is well-timed to meet the forecast supply gap for magnet rare earth elements which are required to support the global transition to clean energy. A comprehensive project review undertaken by our new experienced management team has confirmed that this world-class project remains financially and operationally robust, with the investment in a Stage 1 mining and beneficiation plant being a compelling proposition. The implementation of a two-stage development strategy for Yangibana will lower the upfront capital funding requirements, reduce the project execution risk and enable a faster pathway to early project cash flows which can be used to fund Stage 2 plant construction."

**Cadence CEO Kiran Morzaria, commented:** "The Cadence board remain enthusiastic shareholders and supporters of Hastings Technology Metals and the Yangibana Rare Earths project. We are pleased to see the project risks further reduced by the introduction of a two stage investment strategy, and we are excited by the prospects for commencement of the beneficiation plant construction within the next few months. I look forward to providing further updates."

**Cadence shareholding in Hastings**

On 25 January 2023, Cadence completed the sale of its 30% stake in several mineral concessions forming part of the Yangibana Rare Earths project for a consideration of 2.45 million Hastings shares, equating to approximately 1.9% Hastings issued share capital. This consideration was a premium over the Net Present Value ("NPV") of the Cadence portion of the mineable material, based on the definitive feasibility ("DFS") updated by Hastings on 21 February 2022.

The full announcement concerning the Yangibana sale is available [here](#).

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#### **Qualified Person**

Kiran Morzaria B.Eng. (ACSM), MBA, has reviewed and approved the information contained in this announcement. Kiran holds a Bachelor of Engineering (Industrial Geology) from the Camborne School of Mines and an MBA (Finance) from CASS Business School.

#### **Cautionary and Forward-Looking Statements**

Certain statements in this announcement are or may be deemed to be forward-looking statements. Forward-looking statements are identified by their use of terms and phrases such as "believe", "could", "should", "envisage", "estimate", "intend", "may", "plan", "will", or the negative of those variations or comparable expressions including references to assumptions. These forward-looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the company's future growth results of operations performance, future capital, and other expenditures (including the amount, nature, and sources of funding thereof) competitive advantages business prospects and opportunities. Such forward-looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors. Many factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including risks associated with vulnerability to general economic and business conditions, competition, environmental and other regulatory changes actions by governmental authorities, the availability of capital markets reliance on key personnel uninsured and underinsured losses and other factors many of which are beyond the control of the company. Although any forward-looking statements contained in this announcement are based upon what the Directors believe to be reasonable assumptions. The company cannot assure investors that actual results will be consistent with such forward-looking statements.

*The information contained within this announcement is deemed by the company to constitute Inside Information as stipulated under the Market Abuse Regulation (E.U.) No. 596/2014, as it forms part of U.K. domestic law under the European Union (Withdrawal) Act 2018, as amended. Upon the publication of this announcement via a regulatory information service, this information is considered to be in the public domain.*

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