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JL MAG RARE-EARTH CO., LTD.

江西金力永磁科技股份有限公司

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 06680)

VOLUNTARY ANNOUNCEMENT

PROPOSED SUBSCRIPTION OF EQUITY OF THE AUSTRALIAN LISTED RARE EARTH COMPANY, HASTINGS TECHNOLOGY METALS LIMITED BY A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY

This announcement is made by JL MAG RARE-EARTH CO., LTD. (the “**Company**”) on a voluntary basis.

I. OVERVIEW OF THE TRANSACTION

On July 5, 2024, JL MAG Green Tech (Hong Kong) Company Limited (“**JL Tech (Hong Kong)**”), a wholly-owned subsidiary of the Company, executed the Binding Term Sheet (a term sheet with binding effect, hereinafter called the “**Term Sheet**”) with the Australian listed rare earth company, Hastings Technology Metals Limited (a company of which its shares are listed on the Australian Securities Exchange with the ASX Code HAS, “**Hastings**”), in which it is agreed that JL Tech (Hong Kong) shall subscribe the 19.647 million ordinary shares further issued by Hastings at the subscription price of AUD0.36/share. The total subscription amount is approximately AUD7.07 million (approximately RMB34.60 million). Upon completion of this subscription, JL Tech (Hong Kong) is interested in 9.8% of the total share capital of Hastings after this further issuance (“**the Transaction**”).

The subscription under the Transaction is funded by the proceeds from the Global Offering.

In accordance with relevant requirements such as the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange and the Articles of Association, the Transaction is within the approval authority of the chief executive officer of the Company. The investment agreement of this project constitutes neither a related-party transaction nor a material asset restructuring stipulated under the “Administrative Measures on Material Asset Restructuring of Listed Companies” (《上市公司重大資產重組管理辦法》).

II. BASIC INFORMATION OF THE COUNTERPARTY OF THE TRANSACTION

Name of the company: Hastings Technology Metals Limited

Nature of the enterprise: a company listed on the Australian Securities Exchange

Place of registration: Level 3, 5 Mill Street, PERTH WA 6000

Registration number: ABN 43 122 911 399

Number of shares issued: 180,826,134 shares

Date of establishment: 2006

Principal business: exploration and exploitation of rare earth.

To the best knowledge, information and belief of the directors of the Company and having made all reasonable enquiries, as of the date of this announcement, Hastings and its ultimate beneficial owner are all third parties independent of the Company and its connected persons.

III. BASIC INFORMATION OF THE SUBJECT OF THE TRANSACTION

1. Basic information

Hastings with its head office located in Perth, Australia is committed to be the leading producer of rare earth mineral in Australia through the development of its wholly-owned Yangibana Rare Earths Project. According to the official website and the information disclosed in the annual reports, Yangibana Rare Earths Project is a project wholly-owned by Hastings, and is located in Western Australia with an area of 650 square kilometers. The ore reserve is approximately 20.90 million tonnes, and the exploitation life cycle of the mine is 17 years, which is one of the most valuable praseodymium neodymium (“PrNd”) mineral deposits in the world. The average proportion of PrNd in the rare earth oxide (“TREO”) during the life cycle is approximately 37%. In some areas of the orebody, PrNd accounts for up to 52% of TREO.

PrNd, the rare earth elements, is the main raw material for manufacturing high-performance NdFeB rare earth permanent magnets. With the advantages of good energy conservation, small size, light weight, and easy precise control and so on, NdFeB rare earth permanent magnets are widely used in new energy vehicles and automotive parts, energy-saving variable-frequency air-conditioners, wind turbine generators, robotics and industrial servomotors and other fields.

Hastings has completed the construction of the mining infrastructure for the Yangibana Rare Earths Project. After the completion of the first phase of the Rare Earths Project in the first half of 2026, it is expected that 37,000 tonnes of rare earth concentrate can be produced annually. The subscription funds will also be used for the production and operation of Yangibana Rare Earths Project.

2. Shareholders

As of July 8, 2024, Hastings issued 180,826,134 ordinary shares. Currently, the particulars of the shareholding of the substantial shareholders are as follow:

| Name of shareholder | Number of shares (shares) | Percentage of shareholding |
|--|--------------------------------------|-----------------------------------|
| CITICORP NOMINEES PTY LIMITED | 45,995,449 | 25.44% |
| HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 13,093,836 | 7.24% |
| BNP PARIBAS NOMS PTY LTD | 12,451,999 | 6.89% |
| BNP PARIBAS NOMINEES PTY LTD | 7,663,954 | 4.24% |
| HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 3,195,419 | 1.77% |

3. Key financial situation

Unit: AUD10,000

| Items | As of June 30, 2023 | As of June 30, 2022 |
|-------------------|---|---|
| Total assets | 49,342.24 | 29,833.75 |
| Total liabilities | 17,824.99 | 1,590.91 |
| Net assets | 31,517.25 | 28,242.85 |
| Items | For the year ended June 30, 2023 | For the year ended June 30, 2022 |
| Revenue | 716.98 | 32.89 |
| Net profit | -1,057.99 | -943.53 |

IV. MAIN CONTENTS OF THE TERM SHEET

| | |
|----------------------------|--|
| Parties | Hastings Technology Metals Limited; JL Mag Green Tech (Hong Kong) Company Limited (金力永磁綠色科技(香港)有限公司) |
| The transaction | JL Tech (Hong Kong) subscribes the 19.647 million ordinary shares further issued by Hastings. Upon completion of this subscription, JL Tech (Hong Kong) is interested in 9.8% of the total share capital of Hastings after this further issuance. |
| Subscription amount | Approximately AUD7.07 million (approximately RMB34.60 million in total) |
| Anti-dilution right | The rights in participating any future equity financing will be granted to JL Tech (Hong Kong) for it to maintain its 9.8% shareholding percentage |
| Subscription price | AUD0.36/share |
| Other terms | <ol style="list-style-type: none">1. The definitive documentation for the Transaction is the subscription agreement;2. JL Tech (Hong Kong) will be given a board seat at Hastings;3. The completion of the Transaction is subject to the approvals or filings by the government authorities. |

V. INVESTMENT PURPOSE AND ITS IMPACT ON THE COMPANY

Rare earth is the main raw material in the production of NdFeB magnetic steel. If the Transaction, which acts as a strategic investment of the Company, can be implemented smoothly, it will strengthen the strategic partnership of the Company with the international rare earth suppliers, and is expected to diversify the rare earth procurement channel of the Company, strengthen the Company's global supply guarantee capability of rare earth raw materials, enhance the comprehensive competitiveness of the Company and optimize the global business layout of the Company.

The subscription of the equity of Hastings under the Transaction is funded by the proceeds from the Global Offering to be used for potential acquisition. The Transaction will not have material adverse effect to the financial condition and operating results of the Company, is favourable on promoting the synergy of the Company with the upstream and downstream industries, and is not detrimental to the interests of the Company and its shareholders.

VI. EXISTING RISKS

1. Policies risks

The Transaction is an overseas investment. The laws, policy systems and business environment of Australia are quite different from those of China, and there are risks of changes in laws, policies, market situations, etc. Domestic business filing, offshore investment filing with the development and reform authorities, and foreign exchange management and registration are required for the Transaction, and there could be transaction review from the regulatory authorities of the Australian government. There are uncertainties over whether such filing, registration and approval could be obtained smoothly. The Company will cooperate with all other parties to strengthen the communication with the regulatory authorities in order to facilitate the progression and completion of the Transaction.

2. Risk on fluctuation in price of rare earth products

Rare earth is a strategic resource. In recent years, there were high degrees of fluctuations in the price of rare earth raw materials, the fluctuation in the price of rare earth products has a direct effect on the share price of Hastings and the investment return of the Company.

3. Risk on Yangibana Rare Earths Project falls short of expectation

According to the official website and information disclosed in the annual reports of Hastings, it is expected that Yangibana Rare Earths Project, which is wholly-owned by Hastings, will produce 37,000 tonnes of rare earth concentrate annually after the completion of the first phase in the first half of 2026. If this project does not complete or commence operation as scheduled, or if the actual ore reserves or output falls short of expectation, the share price of Hastings and the investment return of the Company.

In view of the main risks under the investment, the Company will understand the changes in the relevant policies, regulatory and market situations in a timely manner, and will closely monitor the implementation of this investment, strengthen the management and risk control after the investment, and to mitigate the investment risk. The Company will strictly abide by the relevant requirements to fulfil its obligation on information disclosure according to the subsequent progress. Investors are advised to pay attention to investment risks.

VII. HONG KONG LISTING RULES IMPLICATIONS

As at the date of this announcement, Hastings is not a connected person of the Company defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Hong Kong Listing Rules**”), thus the transaction under the Term Sheet does not constitute a connected transaction of the Company. Since each of the applicable percentage for the transaction under the Term Sheet is under 5%, the execution of the Term Sheet and the transaction contemplated thereunder does not constitute a discloseable transaction of the Company under Chapter 14 of the Hong Kong Listing Rules. This announcement is made by the Company on a voluntary basis for notifying its shareholders and potential investors.

By order of the Board
JL MAG RARE-EARTH CO., LTD.
Cai Baogui
Chairman

Jiangxi, July 8, 2024

As of the date of this announcement, the Board comprises Mr. Cai Baogui and Mr. Lyu Feng as executive Directors; Mr. Hu Zhibin, Mr. Li Xinnong, Mr. Liang Minhui and Mr. Li Xiaoguang as non-executive Directors; and Mr. Zhu Yuhua, Mr. Xu Feng and Ms. Cao Ying as independent non-executive Directors.