



ASX Announcement
21 March 2012



WORLD LEADING EXPERT TEAM ASSEMBLED AT HASTINGS HEAVY RARE EARTH PROJECT

Highlights

- **World leading rare earth technology group ANSTO (Australian Nuclear Science and Technology Organisation), an Australian government body, has been engaged to work on the Hastings Project**
- **ANSTO joins project management engineering firm Jacobs Engineering (formerly Aker Solutions) as study manager for this heavy rare earth project**

Hastings Rare Metals Ltd (ASX:HAS) is pleased to announce the engagement of ANSTO, a world-leading specialist in process development in rare earths and uranium processing, to act as R&D developer for the Hastings heavy rare earths oxide (HREO) project located in the north west, Western Australia.

Jacobs Engineering, as previously reported, will assist the Hastings project team in the management of project development through to the Pre-Feasibility (PFS) stage.

ANSTO's scope of works will include:

- Stage 1. Validate and verify the previous extraction flow sheet
- Stage 2. Optimise the product suite to focus on dysprosium and yttrium, whilst maximising value of by-products zirconium, niobium and tantalum
- Stage 3. Design assistance for Pilot Plant requirements

The Technical Director of Hastings, Steve Mackowski, stated:

"The process and project engineering delivery team is now in place to roll out the vision of the Hastings team.

"The extensive work done in the 1980s on this project up to the pilot plant stage can now be enhanced to bring out the true value of this world class heavy rare earth resource.

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Tony Grey
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ASX Code: HAS

Shares on Issue 104 million

"The ANSTO team brings not only rare earths expertise, but vastly enhanced knowledge from the work ANSTO has completed on similar mineralogy with Alkane's Dubbo Project.

"Together with Jacobs Engineering as feasibility study manager, I could not imagine a team of process and project engineers better qualified, experienced and motivated than the group now put together for the Hastings Project. I look forward to the completion of these stages and moving forward to the Pre-Feasibility and Bankable Feasibility stages."

The European Union, Japan and United States have filed a trade dispute with the World Trade Organisation (WTO) over China's export restrictions on rare earth metals that are essential for clean energy technologies (US President Obama Statement, 13 March 2012).

Rare earths are used in the manufacture of many household items such as smart phones, electronics, and hybrid cars up to safer nuclear technology, wind turbines and solar panels.

Hastings Rare Metals Ltd has located heavy rare earth elements (HREE), dysprosium and yttrium, at Hastings and light rare earth element (LREE) neodymium at Yangibana in Western Australia. These are classified as "critical" rare earths by the US Department of Energy (December 2010).

- **Dysprosium** has been highlighted as being amongst the highest priority and most critical strategic metals now consumed world-wide for **military, high technology and clean energy applications**. The December 2010 report by the US Department of Energy named dysprosium as the single most critically important strategic metal to the United States.
- **Yttrium** The most important use of yttrium is in making **phosphors for use** in television displays, and in light emitting diodes (LEDs). Other uses include the production of electrodes electrolytes, electric filters, lasers and superconductors.
- **Neodymium** oxide is widely considered one of the three rare earth oxides with critical supply shortages looming in the **high performance magnet industry**.

Also at Hastings

- **Niobium** and tantalum commonly occur in the associated minerals columbite $(Fe,Mn)Nb_2O_5$ and tantalite $(Fe,Mn)Ta_2O_5$. Main source of niobium however is pyrochlore $NaCaNb_2O_6F$. Niobium is an important alloying element in steels and Fe-Ni-Co based **superalloys**. Lesser use is in diverse areas such as camera lenses and coating of glass for computer screens.
- **Zirconium** occurs predominantly as the silicate mineral zircon ZrO_2 , used mostly in **ceramics**, foundry applications, opacifiers and **refractories**. Main growth areas are advanced ceramics and auto-exhaust catalysts. Significant use is in the nuclear energy industry in fuel rods and reactor vessel construction.
- **Tantalum** occurs in a wide range of minerals but any tantalum-bearing concentrate is commonly termed tantalite. Highly corrosion resistant and refractory. Used in cutting tools, mobile phones, high temperature alloys and furnace parts to computer hard drive discs.

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About ANSTO

ANSTO are world-leading experts in the development of rare earths and uranium projects. ANSTO is an Australian Government organisation based at Lucas Heights near Sydney and has extensive worldwide experience on similar projects, but the specific personnel allocated to this work have worked on Australian rare earths projects for a number of years. The development team has extensive rare earths experience including:

Lynas – Mt Weld Project
Arafura - Nolan's Project
Alkane – Dubbo Project

About Hastings

In 2011 Hastings was acquired and became a listed ASX company focused on the advanced Hastings Heavy Rare Earth project and also a majority interest in the Yangibana rare earth project both located in the North West of Western Australia.

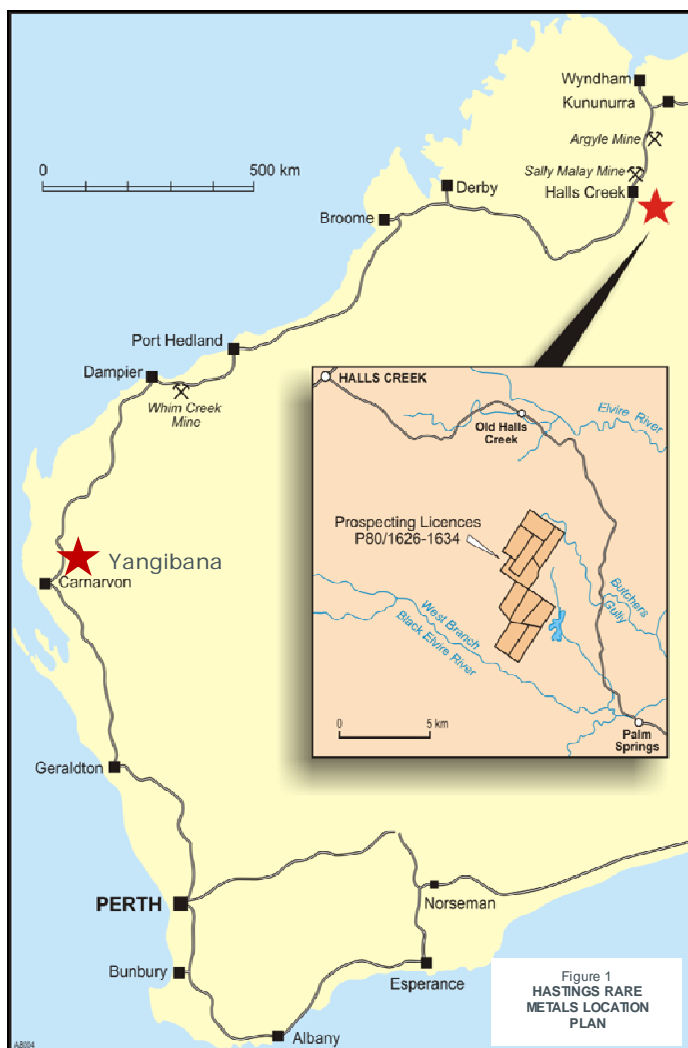
Hastings has JORC Compliant Resource of 36.2 million tonnes (27.1 indicated and 9.1 inferred)@ 2102ppm (0.21%) Total Rare earth Oxides (TREO) including 85% Heavy Rare Earth Oxides (HREO) 3546ppm (0.35%) Nb₂O₅ 8913ppm (0.89%) ZrO.

- Hastings projects include significant resources of Dysprosium and Yttrium and Yangibana contains Neodymium, three of the critical rare earths (CREO).
- The Hastings project mineralisation contains 85% HREO to TREO the highest percentage of all advanced exploration projects*

Previously owned by the predecessor of Molycorp, it has undergone extensive development work in the 1980s including metallurgical test work and the construction of a pilot plant in 1989. The project is at an advanced stage with the current work focused on validating previous work and optimising product suite.

A leading team of rare earth experts has been engaged to take the project forward.

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Hastings Projects, Western Australia

Recognised by GeoScience Australia as two of Australia's key REO deposits Both deposits remains open at depth and along strike

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Hastings Project 100%

- Hastings Project (WA) contains one of Australia's largest Heavy Rare Earth resources, including significant Dysprosium and Yttrium, with Niobium and Zirconium
- 2011 drilling defines JORC-compliant Indicated and Inferred Resources totalling: 36.2 million tonnes @ 2102ppm (0.21%) Total Rare earth Oxides (TREO) including 85% Heavy Rare Earth Oxides (HREO). 3546ppm (0.35%) Nb₂O₅ , 8913ppm (0.89%) ZrO₂
- Over \$10m previously spent on the project
- Historical metallurgical results from pilot plant tests show recoveries of around 75% for Yttrium and Dysprosium, 80% for Niobium and Zirconium
- Metallurgical test work ongoing on samples prepared from the 2011 drilling programme

Yangibana Project 60%

- Yangibana Project (WA) (206 sq. km under Exploration Licences) average grades of circa all 1.7%- 2.0% TREO with high grades of Neodymium

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