

## DECEMBER 2012 QUARTERLY ACTIVITIES REPORT

Hastings Rare Metals Limited  
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### Board and Management

Anthony Ho (Chairman)  
Alastair Metcalf (CEO)  
Steve Mackowski (Technical  
Director)  
Guy Robertson (Financial Director)

### Advisory Board

Tony Grey

www.hastingsraremetals.com

### HIGHLIGHTS

- ANSTO successfully separates Yttrium (Y) and Rare Earth Elements (REE) with effective rejection of major impurities
- ANSTO also separates Zircon (Zr), Niobium (Nb) and Hafnium (Hf) from bake-leach liquor with effective rejection of major impurities
- Rock chip sample results indicate potential extension to south of existing Hastings resource
- Company acquires additional 50 square kilometre Exploration Licence adjacent to existing Prospecting Licences
- Capital raise completed for \$3 million

### HASTINGS PROJECT

#### Metallurgical Test Work

During the quarter the Company announced that ANSTO had achieved two significant milestones in the primary solvent extraction (SX) test work for the Hastings Project.

Using liquors generated from the sulphation bake and water leach, ANSTO achieved primary separation of Zr, Nb and Hf from the bake-leach liquor using a modified SX circuit with excellent rejection of the major impurities. The modified SX circuit also successfully separated the Y+REE from the liquor remaining after Zr, Nb and Hf removal.

#### Southern Extension

Reconnaissance mapping and rock chip sampling has improved the definition of the target to the southwest of the current resource at Hastings. Four surface samples were collected from areas with high scintillometer readings. A further six samples were taken from adjacent areas to provide background values. The four selected samples returned encouraging grades in line with near surface mineralisation in the resource zone, as follows:-

	ppm TREO	ppm HREO	ppm Dy <sub>2</sub> O <sub>3</sub>	ppm Y <sub>2</sub> O <sub>3</sub>	ppm ZrO <sub>2</sub>	ppm Nb <sub>2</sub> O <sub>5</sub>
STH 2	1947	1696	187	993	9168	3243
STH 3	1872	1688	159	1088	8885	3094
STH 4	1751	1607	165	989	8111	3223
STH 8	2309	2051	206	1272	10201	3432



HREO is the sum of the oxides of 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). TREO is the sum of the oxides of the heavy rare earth elements (HREO) and the light rare earth elements (LREO) where LREO is the sum of the oxides of the light rare earth elements lanthanum (La), cerium (Ce), praseodymium (Pr), neodymium (Nd), and samarium (Sm).  $ZrO_2$  is zirconium oxide and  $Nb_2O_5$  is niobium oxide,

Full results were provided in the Company ASX release dated 22 January 2013.

These results confirm that this southern extension area hosts potentially economic rare earth and rare metal grades. Further mapping and sampling will be undertaken to define targets for drilling

### Tenement Acquisition

During the quarter the Company announced the acquisition of an additional mineral tenement (E80/4555) adjacent to its existing PLs at Hastings. The terms of the acquisition provide Hastings with the rights to all minerals other than precious and base metals.

The new tenement (Figure 1) provides the Company with additional exploration potential and increased flexibility regarding the infrastructure site locations for the project.



Figure 1 – Hastings Project Location showing acquired EL

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## YANGIBANA PROJECT

A limited amount of work was carried out on the Yangibana Project in which Hastings holds a 60% interest during the quarter.

## CORPORATE

During the quarter the Company raised \$3 million with the issue of 27,272,727 shares and 13,636,364 attached options with exercise price of 15 cents per share expiring on 31 March 2014. Shareholders also approved the participation of directors in the capital raising.

The Company remains focused on identifying a strategic partner to assist with the development of the Hastings Project.

### About Hastings Rare Metals

- Hastings Rare Metals is a leading Australian rare earths company, with two rare earths projects in Western Australia.
- The Hastings deposit contains JORC Indicated and Inferred Resources totaling 36.2 million tonnes (comprising 27.1 million tonnes of Indicated Resources and 9.1 million tonnes of Inferred Resources) at 0.21% TREO, including 0.18% HREO, plus 0.89% ZrO<sub>2</sub> and 0.35% Nb<sub>2</sub>O<sub>5</sub>.
- Rare earths are critical to a wide variety of current and new technologies, including smart phones, hybrid cars, wind turbines and energy efficient light bulbs.
- The Hastings deposit contains predominantly heavy rare earths (HREO) (85%), such as dysprosium and yttrium which are substantially more valuable than the more common light rare earths (LREO).
- The company aims to capitalise on the strong demand for heavy rare earths created by expanding new technologies. It is currently validating the extensive historical work and completed a Scoping Study to confirm economics of the project.

### For further information please contact:

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### Competent Person's Statement

*The information in this presentation that relates to Resources is based on information compiled by Simon Coxhell. Simon Coxhell is a consultant to the Company and a member of the Australasian Institute of Mining and Metallurgy. The information in this presentation that relates to Exploration Results is based on information compiled by Andy Border, an employee of the Company and a member of the Australasian Institute of Mining and Metallurgy. The information in this presentation that relates to metallurgy is based on information compiled by Steve Mackowski, an employee of the Company and a fellow of the Australian Institute of Mining and Metallurgy.*

*Each have sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this presentation and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code"). Each consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.*

