

7 November 2013

HASTINGS PROJECT & MARKET UPDATE

Hastings Rare Metals Limited (“HAS” or “the Company”) is pleased to announce that it is proceeding with the investigation of a low cost production opportunity for its Heavy Rare Earth Project at Halls Creek, Western Australia (“Hastings Project”).

The fundamentals of the Hasting Project remain robust. The investigation involves a location study, to evaluate and to secure, toll treatment partnerships in the three key areas of: ore milling; extraction and separation; and final product refining.

A preliminary study of the low cost production model by an external consultant concluded that the concept should be further investigated. It is envisaged that a successful outcome could also have the added benefit of fast tracking commercial production from the Hastings Project.

The benefit of taking the above functions off-shore, de-risks the Hastings Project by making a significant reduction in capital cost, while being able to access lower cost funding, and reductions in overall processing operating expenses.

Steve Mackowski, Technical Director of Hastings Rare Metals, said: *“In today’s difficult capital market environment, coupled with high Australian construction costs, high project engineering costs, overlaid by the vagaries of the Australian dollar exchange rates, the Hastings Project, constructed and fully installed at Halls Creek, Western Australia, is seen as the highest capital and operating expenditure option for development of the project.”*

“This poses a challenge, but also highlights an opportunity.”

“The decision by the Board to conduct an Asian location study comprising possible existing capacity, innovative lease financing for any new installation, optimum capital financing, combined with the concept of toll treatment, is a logical step to progress the project. The study would enable a comprehensive view of the spectrum of capital risk solutions, to determine better project economics.”

Steve Mackowski added *“I support the direction that the Board is taking in relation to bringing the Hastings projects into production.”*



CORPORATE MATTERS: ANNUAL GENERAL MEETING & GENERAL MEETING

In order for the Board to continue to execute the Company's business strategy and to maximise the value of the Company's assets it is imperative that Shareholders **VOTE IN FAVOUR** of the re-election of the current directors of the Board at the **Annual General Meeting** (Resolutions 1 to 12).

Shareholders are encouraged to **VOTE AGAINST** the resolution to appoint 2 new directors at the **General Meeting** (Resolutions 1 & 2).

The meetings are to be held on 14 November 2013.

Shareholders should forward their proxies by facsimile to (02) 9078 7661 or return by mail in the reply paid envelope by Monday 11 November 2013.

For further information please contact:

Guy Robertson, Executive Director +61 2 9078 7678
Shaun Giacomo, Business Development +61 2 9078 7678

Media & Investor relations: Fortbridge +612 9003 0477

Bill Kemmery +61 400 122 449 or Marina Trusa +61 404 330 634