



ASX ANNOUNCEMENT

9 December 2014

SHARE PURCHASE PLAN OFFER TO SHAREHOLDERS TO FUND PRE-FEASIBILITY STUDY OF THE YANGIBANA RARE EARTHS PROJECT

Hastings Rare Metals Limited (ASX: HAS) (“Hastings” or the “Company”) is pleased to offer eligible shareholders the opportunity to participate in the Hastings 2014/2015 Share Purchase Plan (Plan).

The Directors’ have announced that the Plan be offered to eligible shareholders, being those who are the registered holders of fully paid ordinary shares in the Company as at 7.00pm AEDT on 5 December 2014 (Record Date), and whose address in the Company’s register is situated in Australia or New Zealand.

Under the Plan, eligible shareholders may subscribe for up to \$15,000 worth of fully paid ordinary shares in the Company (New Shares) (subject to a discretionary scale back) at a price of \$0.07 per share (Issue Price).

The issue price is as per the recent oversubscribed share placement (see 8 December 2014 announcement) and is at a 15% discount to the last traded price.

The Company is offering up to 28,571,429 New Shares under the Plan to raise up to \$2 million (Offer Amount), before costs. The Company reserves the right to scale back a shareholder’s subscription (in its absolute discretion) in the event total shareholder demand exceeds the Offer Amount.

Funds raised under the Plan will add to the \$6.5 million that was successfully raised in the share placement be used for a pre-feasibility study (PFS) of the Yangibana rare earths project. This will ensure that the PFS is fully funded to its completion. The pre-feasibility study will incorporate the following:

- Mining lease application (s)
- Further drilling to achieve target tonnage
- Mine design and scheduling
- Metallurgical test work and detailed flow sheet design
- Processing plant design and costing (for capital and operating costs)
- Infrastructure review
- Government regulatory approvals
- Environmental study
- Pilot plant confirmation
- Indigenous Culture and Heritage Agreements



TIMETABLE

| Event | Date |
|--|--------------------------------|
| Record Date | 5 December 2014 |
| Announcement Date | 9 December 2014 |
| Dispatch of Offer and Application Forms to Eligible Shareholders | 19 December 2014 |
| Opening date for acceptances | 19 December 2014 |
| Closing date for acceptances | 5.00pm AEDT on 16 January 2015 |
| Allotment Date | 20 January 2015 |
| Dispatch of holding statements | 20 January 2015 |

For further information please Contact:

Guy Robertson, Company Secretary +61 2 8268 8689

About Hastings Rare Metals

- Hastings Rare Metals is a leading Australian rare earths company, with two JORC compliant rare earths projects in Western Australia.
- The Yangibana Project hosts JORC Indicated and Inferred Resources totaling 6.79 million tonnes at 1.52% TREO, including 0.35% Nd₂O₃ (comprising 3.96 million tonnes at 1.59% TREO Indicated Resources and 2.83 million tonnes at 1.43% TREO in Inferred Resources).
- The Brockmans (formerly Hastings) deposit contains JORC Indicated and Inferred Resources totalling 36.2 million tonnes (comprising 27.1mt Indicated Resources and 9.1mt Inferred Resources) at 0.21% TREO, including 0.18% HREO, plus 0.89% ZrO₂ and 0.35% Nb₂O₅.
- 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 Company aims to capitalise on the strong demand for critical rare earths created by expanding new technologies. It has recently completed a Scoping Study of the Yangibana Project to confirm the economic viability of the Project.



Competent Person's Statement

The information in this announcement 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 announcement 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.

Each has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this announcement and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code"). Each consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.