

30 April 2011

The Manager
Company Announcements Office
Australian Securities Exchange
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

MARCH QUARTER ACTIVITIES REPORT

The Directors of Hastings Rare Metals Limited ("Hastings" or the "Company") are pleased to report the following activities for the March quarter:

Highlights

- Completion of the acquisition of the Hastings Rare Metal and Rare Earth project in the Kimberley region of Western Australia,
- Exploration program to commence within the current quarter inclusive of extensive RC and Diamond drilling,
- Site visit and meetings conducted with Traditional Owners, Community Representatives and the Shire President,
- Heritage Impact Assessment for proposed exploration program submitted,
- Samples collected and preliminary mineralogy test work studies commenced,
- The formation of a highly experienced and credentialed advisory board,
- Strong cash position.

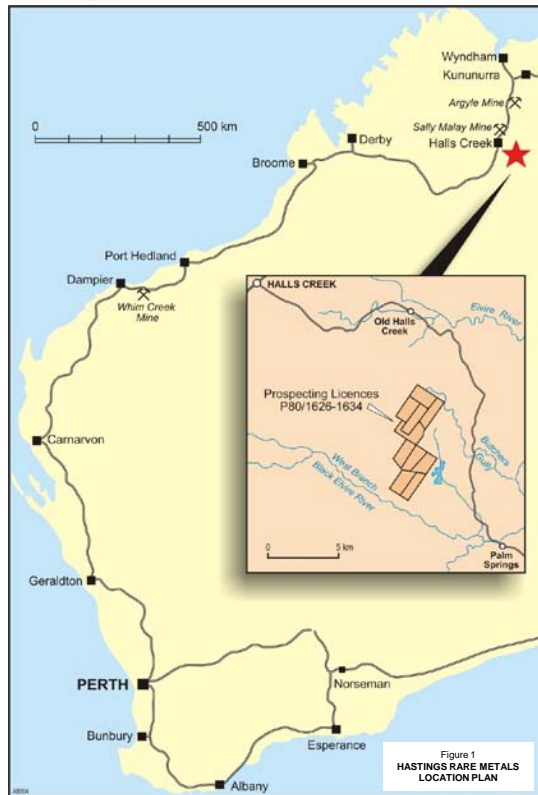
Hastings Rare Metals Project, Halls Creek, Western Australia (100%)

The Company has advanced preparations for its initial drilling programme at the Hastings Rare Metals Project, near Halls Creek in the east Kimberley region (Figure 1). The Project is held under ten (10) Prospecting Licences covering an area of 1,990 hectares.

Based on previous exploration and drilling, the Hastings Rare Metal Deposit hosts a JORC-compliant resource of:

Category	Mt	%ZrO ₂	%Nb ₂ O ₅	%Ta ₂ O ₅	%Y ₂ O ₃
Indicated	8.83	0.76	0.31	0.022	0.09
Inferred	13.25	0.81	0.32	0.024	0.10
TOTAL	22.08	0.79	0.31	0.023	0.10

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Hastings has a Programme of Works (POW) for a major drilling programme combining reverse circulation (RC) and diamond drilling (DD) to increase the total resource base and upgrade a significant proportion of the current **inferred** resources to **indicated** category during calendar 2011. The 46-hole programme includes approximately 5,000m of RC and 3,000m of DD. The programme will commence as soon as Heritage Clearance is received.

The Company has also commenced discussions with mineral processing consultancy groups experienced in the processing of complex rare metal and rare earth mineralisations, to commence preliminary testwork on samples from site in the near future. This work will commence on near surface, oxidised material and will extend to primary mineralisation once samples are available from drilling. Significant processing testwork, from the previous operations of a pilot plant, that was carried out by past explorers will provide a sound base for the planned work.

Yours faithfully



MATHEW WALKER
MANAGING DIRECTOR

For further information please contact:

James Robinson, Director / Company Secretary, Hastings Rare Metals Limited, Tel: (08) 6460 4960

Further Information on Rare Earth Elements (REE)

Australia hosts a limited number of significant REE deposits including the Hastings Rare Metals and Heavy Rare Earths Project and by 2012 is expected to become one of the major REE producers outside China.

Rare metals and rare earth elements refer to a combination of 17 elements in the periodic table; namely the 15 lanthanides plus yttrium and scandium.

Rare earth elements possess unique physical, magnetic, fluorescent and chemical properties. Such properties result in abundant and varied uses for rare earth elements across many industries. Electric and hybrid cars/bikes, electrical goods, Hi-fi stereo, MP3 players, mobile phones, wind turbines, television/video, fluorescent lamps, glass, mirrors and Satnav, GPS devices all use rare earth elements in their manufacture. For today and tomorrow, demand for REE and rare earth metals is increasing significantly as critical components in new technology products and science innovation.

The use of rare earth metals in the application of hybrid vehicles is gaining significant market share in the car market. Vehicles with low carbon emissions utilise approximately 30kg (65lbs) of REE per vehicle. Such vehicles require rare earths in the motors, batteries, glass, auto catalysts and the electronics components of the vehicle and accounts for a significant consumption of rare earths.

Applications and Uses of Rare Earth Elements

Table of Rare Earth Elements showing common uses (not all uses are shown)		
Element	Name	Uses
Ce	Cerium	Glass, polishing powders, ceramics, phosphors, catalysts
Dy	Dysprosium	Ceramics, phosphors (colour screens), nuclear applications
Er	Erbium	Coloured glass, optical fibres, lasers, ceramics, nuclear applications (medical)
Eu	Europium	Phosphors (colour screens)
Gd	Gadolinium	Glass, medical imaging, ceramics
Ho	Holmium	Lasers, nuclear applications (medical), ceramics
La	Lanthanum	Phosphors (colour screens), glass, catalysts, ceramics
Lu	Lutetium	Single crystal scintillators (baggage scanners, oil exploration)
Nd	Neodymium	Permanent magnets, lasers, catalysts
Pr	Praseodymium	Ceramics, glass
Pm	Promethium	Phosphors (colour screens), miniature nuclear batteries
Sm	Samarium	Microwave ovens, permanent magnets, nuclear applications (medical)
Sc	Scandium	Baseball bats, lights, semiconductors, lightweight aerospace construction
Tb	Terbium	Phosphors (colour screens)
Tm	Thulium	Medical imaging, electron beam tubes (televisions)
Yb	Ytterbium	Radiography, stainless steel, disk lasers, glass, siesmometers
Y	Yttrium	Phosphors (CRT and lamp), radar, superconductors

Competent Person Statement

The resource estimate contained within has been made by Simon Coxhell (Member Australasian Institute of Mining and Metallurgy) who is a consultant employed by Hastings Rare Metals Limited. Mr Coxhell has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as Competent Persons as defined in the 2004 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

HASTINGS RARE METALS LTD

ABN

43 122 911 399

Quarter ended ("current quarter")

31 March 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(220)	(392)
(b) development	-	(259)
(c) production	-	-
(d) administration	(296)	(669)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	136	290
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (GST refund)	19	49
Net Operating Cash Flows	(361)	(981)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	(870)	(970)
(b) equity investments	-	(700)
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	59	108
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	2,000
1.12 Other (provide details if material)	-	-
Net investing cash flows	(81)	438
1.13 Total operating and investing cash flows (carried forward)	(1,172)	(543)

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Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,172)	(543)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	23	1,515
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	(32)	(32)
Net financing cash flows		(10)	1,483
Net increase (decrease) in cash held		(1,181)	940
1.20	Cash at beginning of quarter/year to date	6,081	3,960
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	4,900	4,900

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	(204)
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments of directors' fees, rent, administrative service fees and reimbursements.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	-
4.3 Production	-
4.4 Administration	100
Total	300

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,150	2,331
5.2 Deposits at call	3,750	3,750
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	4,900	6,081

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements acquired or increased	P80/1626 – P80/1635	0%	100%

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities <i>(description)</i>	-	-	-	-
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3	+Ordinary securities	58,500,000	58,500,000	-	-
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	12,500,000 -	12,500,000 -	- -	- -
7.5	+Convertible debt securities <i>(description)</i>	-	-	-	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -	- -	- -
7.7	Options <i>(description and conversion factor)</i>	22,500,000 Options 10,000,000 Directors' Options 6,250,000 A Class Performance Shares 7,500,000 A Class Performance Options 6,250,000 B Class Performance Shares 7,500,000 B Class Performance Options	Nil	\$0.001 Nil Nil Nil Nil Nil	-
7.8	Issued during quarter	22,500,000 Options 10,000,000 Directors' Options 6,250,000 A Class Performance Shares 7,500,000 A Class Performance Options 6,250,000 B Class Performance Shares 7,500,000 B Class Performance Options	Nil	\$0.001 Nil Nil Nil Nil Nil	-
7.9	Exercised during quarter	-	-	-	-

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7.10	Expired during quarter	-	-	-	-
7.11	Debentures (totals only)	-	-	-	-
7.12	Unsecured notes (totals only)	-	-	-	-

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:


 Company Secretary

Date: 30/04/2011

Print name: James Robinson

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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