



28 April 2016

Hastings Technology Metals Limited
ABN 43 122 911 399

ASX Code: Shares - HAS

Level 25, 31 Market Street
Sydney NSW 2000
PO Box Q128 Queen Victoria
Building NSW 1220 Australia

Telephone: +61 2 8268 8689
Facsimile: +61 2 8268 8699
info@hastingstechmetals.com

Board

Charles Lew (Chairman)
Anthony Ho (Non-Exec Director)
Malcolm Mason (Non-Exec Director)

www.hastingstechmetals.com

MARCH 2016 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- **Yangibana Project Pre-Feasibility Study (PFS) Financial Evaluation by Tetra Tech Proteus completed, with results confirming strong project potential.**
- **Evaluation based on hydrometallurgical concentrate produced at site that will be shipped overseas for further separation and refining into individual rare earths oxides under a contract toll-treatment arrangement.**
- **Negotiations for off-take agreements for hydromet concentrate with overseas customers are progressing positively.**
- **Ongoing metallurgical success with beneficiation tests returning significantly superior results to those used in the PFS.**
- **Five additional Mining Leases granted.**
- **Rock chip sampling results identify new targets in the Eastern Belt.**

All dollars reported in this document are Australian dollars (A\$) unless otherwise stated.

SUMMARY

Tetra Tech Proteus (TTP) completed the Financial Evaluation section of the Pre-Feasibility Study during the quarter. This evaluation incorporates overseas toll-treatment of a hydrometallurgical concentrate to be recovered on site. Findings confirmed the strong economic potential of the project.

Based only on the current Indicated Resources at Bald Hill South, Fraser's, Yangibana West and Yangibana North deposits, a proposed 1.0 million tonnes per annum operation is forecast to return a net present value at an 8% discount rate (NPV₈) of A\$700 million-A\$750 million over a life of 7 years using forecast commodity prices¹. This scenario provides an Internal Rate of Return (IRR) of 40%.

Metallurgical test work is continuing and recent results have indicated the potential for significant improvements in the beneficiation stage compared to those used in the PFS. A 30% TREO concentrate has been achieved into 3% of the original mass with a 78% recovery of TREO. This should translate to major improvements in both capital and operating costs of the downstream hydrometallurgical circuit.

¹Note that all financials are before depreciation, tax and interest.

Five (5) Mining Leases (MLs) in the Yangibana Project area were granted during the quarter. These cover defined JORC resources at Bald Hill North, and drilled targets at Yangibana and Yangibana South deposits that have yet to have JORC resources defined. In addition the new MLs cover potential extensions to each of these deposits that warrant further exploration.

Hastings now holds nine (9) MLs within the overall Yangibana Project area, with six (6) held 100% by the Company covering 16.6 sq km and three (3) held in a joint venture in which Hastings holds 70% interest covering 31.2 sq km.

All granted MLs are free of Native Title claims.

The Company completed site assessments in December 2015 and January 2016 and identified additional targets that warrant further evaluation and drilling.

YANGIBANA PROJECT

PRE-FEASIBILITY STUDY FINANCIAL EVALUATION

The Financial Evaluation is based on on-site beneficiation and partial hydrometallurgical (hydromet) processing to produce a concentrate that will be shipped overseas for separation and refining into the individual rare earths oxides under a contract toll-treatment arrangement. This will enable Hastings to fast track its production of separated rare earths oxides and rare earths metals for sale to end users, utilising the overseas sub-contractor's manufacturing and engineering knowledge, saving the Company the time and expense to develop this critical capability locally.

BASIS FOR THE EVALUATION

Table 1 provides the material assumptions and calculated figures on which this Financial Evaluation of the Yangibana Rare Earths Project is based.

Based only on the current Indicated Resources at Bald Hill South, Fraser's, Yangibana West (all Hastings 100%) and Yangibana North (Hastings 70%) deposits, a proposed 1.0 million tonnes per annum operation commencing in 2019 is calculated to return a Pre-Tax NPV at an 8% discount rate (NPV₈) of A\$700-750 million over a mine life of 7 years, with an Internal Rate of Return (IRR) of 40% and a payback on capital of 2.5 years. The Company is confident that the mine life will exceed the period incorporated in this evaluation.

The Pre-Feasibility Study Financial Evaluation is based on the production of a mixed rare earths concentrate on site with overseas treatment to produce separated oxides of the rare earths neodymium (Nd), praseodymium (Pr), dysprosium (Dy), europium (Eu), samarium (Sm) and gadolinium (Gd) through a toll-treatment agreement with a third party. Additional rare earths would be considered for processing at a later date to meet future market requirements.

Commencement date		2019
Mining/Processing Rate	Million tonnes per annum	1.0
Mine/Processing Life	Years	7.0
Exchange Rate	A\$:US\$	0.72
Total Mined	Mt	73.36
Total Diluted Mineralisation Mined	Mt	7.0
Average Stripping Ratio		9.4:1
Average Diluted Mineralisation Grade	%TREO	1.15
Commodity Prices	US\$/kg – see Appendix 1	
Total REO Sales	A\$bn	3.00-3.50
Total Capital Costs (detail below)	A\$m	390-420
Total Operating Costs (detail below)	A\$bn	1.5-1.6
State Royalty	%	2.5
Discount Rate	%	8
Net Present Value (NPV)	A\$m	700-750
Internal Rate of Return (IRR)	%	40
Payback on Capital	Years	2.5

Table 1 – Yangibana PFS – Material Assumptions

THE YANGIBANA TOLL TREATMENT OPTION

The Toll Treatment Model allows Hastings to take advantage of downstream processing technology and production facilities that already exist overseas, thereby negating the need to heavily invest in the design and construction of its own separation and refining plant in Australia. This business model was conceived in February this year when work on the PFS was practically completed. The significance of this approach enables the Company to put in place a plan to fast track production of its hydromet concentrate (much earlier than previously envisaged at the time of the Scoping Study) that will then be shipped abroad. Incorporating toll treatment overseas has the added benefits of significantly lowering budgeted costs for capital equipment and operating expenses not reflected in the PFS analysis.

The proposed exploitation of the Yangibana Project incorporated in the Financial Evaluation is based on:-

1. Mining and processing to produce a rare earths hydromet concentrate on site at Yangibana; and
2. The separation and refining of the rare earths concentrate to produce separated rare earths oxides and metals to be undertaken overseas.



PROCESSING

All processes including crushing, milling, flotation, and the first phase of hydrometallurgy are standard processes used within the rare earths industry, optimised for the Yangibana Project mineralogy.

The mined ore will be crushed and milled to reduce the feed to the required sizing for the flotation process.

Hastings has completed beneficiation test work that indicates that, at a plant throughput rate of 1.0 million tonnes per annum, a flotation plant can achieve a 95% mass reduction to 49,000t per annum of concentrate from Bald Hill South and Fraser's feed, and a 93% mass reduction to 70,000t per annum of concentrate from Yangibana (West and North) feed with recoveries of 85% of the contained rare earths (i.e. loss of only 15% of contained rare earths).

The subsequent on-site hydrometallurgical plant further processes the flotation concentrate, containing 85% of the initial rare earths in 4.9-7.0% of the original mass, to extract the target rare earths into a mixed rare earths precipitate.

This rare earth precipitation concentrate will then be shipped offshore under a contract arrangement that will provide the Company with separated rare earths oxides products for sale. The proposed contract refiner is an established operation that produces and markets rare earths products.

The predicted recovery rates incorporated in the Study are as shown in Table 2.

	Overall Recovery to Separated Oxides (%)
Nd ₂ O ₃ recovery	71
Pr ₂ O ₃ recovery	71
Dy ₂ O ₃ recovery	40
Eu ₂ O ₃ recovery	58
Gd ₂ O ₃ recovery	54
Sm ₂ O ₃ recovery	60

Table 2 – Yangibana PFS, predicted processing recovery rates

PROJECT ENGINEERING

Based on test work results achieved at Kyspymet Metallurgy and at The Core Group, TTP has developed preliminary engineering designs for all major components of the proposed on-site processing facility.

Power supply will be predominantly based on diesel trucked to site but includes a significant solar component.

CAPITAL COST ESTIMATE

TTP has established baseline capital costs for the project based on a preliminary engineering design and costings utilising entirely new equipment and 100% locally sourced content. A total capital cost of A\$390-420 million over the operating period, including a 22% contingency, has been established with a breakdown as shown in Table 3.

Capital Cost Centre	Total A\$m
Mining	30-35
Processing	130-140
Infrastructure	30-35
Management, Services, EPCM	60-65
Other*	70-75
Contingency	70-75
TOTAL CAPEX	390-420

Table 3 - Yangibana PFS, Calculated Total Capital Costs

(Other* incorporates project services, accommodation, temporary services, and pre-production costs)

OPERATING COST ESTIMATE

The baseline operating costs are predicated on contract mining and 90% processing plant availability. The Study is based on the sale of separated rare earths oxides from a mixed rare earths concentrate at an overseas plant. Operating costs over the full 7-year period total approximately A\$1.5-1.6bn as shown in Table 4.

Category	Total Operating Cost A\$m
Contract Mining	340-350
Labour	175-190
Power/Fuel	65-75
Product Transport	45-55
Toll Treatment	240-250
Reagents	575-600
Other*	90-110
TOTAL OPEX	1,500-1,600

Table 4 - Yangibana PFS, Calculated Total Operating Costs over mine life

(Other* incorporates maintenance, consumables, equipment hire, contract general expenses and royalties)

ROYALTY/EXCHANGE RATE

A state royalty based on the export of a mixed rare earth precipitation concentrate was incorporated in the financial evaluation, and a 0.72 US\$/A\$ exchange rate was used.

OTHER FACTORS

Other factors used in the Financial Estimation – Resources, Mining, Commodity Prices, and Environmental and Social Issues remain as reported in the December 2015 Quarterly Report relating to the Updated Scoping Study.

IMPROVED BENEFICIATION RESULTS

After completion of test work utilised in the PFS, beneficiation test work has continued on the neodymium-rich mineralisation from the Eastern Belt that occurs in tenements in which Hastings holds 100% interest.

Recent test work has produced an upgraded beneficiated concentrate from the Eastern Belt Master Composite (EBMC), which has resulted in an increase in the TREO concentration from 20% to 30% in the beneficiated concentrate.

Comparison to the previous flow sheet may be summarised as follows:

- The lower mass pull of the final upgraded concentrate of 3.1% will lead to:
 - A smaller and less expensive hydrometallurgical plant.
 - Hydrometallurgical reagent costs are expected to be significantly lower.
- Reducing the Fe₂O₃ content from approximately 26% to 12% will lead to:
 - Significant saving in reagent costs.
 - Easier removal of impurities.
 - Lower rare earths losses in impurity removal stages.

Table 5 shows the differences in composition and highlights the superiority of the latest concentrate.

	Grade (%)					Recovery (%)			
	TREO	Nd ₂ O ₃	Pr ₆ O ₁₁	Fe ₂ O ₃	SiO ₂	Mass	TREO	Nd ₂ O ₃	Pr ₆ O ₁₁
PFS concentrate	20.0	6.5	1.5	26.2	7.9	4.9	84	86	87
Up-graded Concentrate	30.1	10.2	2.2	12.1	2.7	3.1	78	79	80

Table 5 – Yangibana Project – Comparison of beneficiated concentrates

The Pre-Feasibility Study (PFS) is based on a concentrate of 20% TREO. The upgraded and superior recent concentrate is anticipated to significantly improve project economics compared to those indicated in the PFS.

Further optimisation and improvement are expected with the next phase of test work to refine the flow sheet and piloting.

MINING LEASES GRANTED

During the quarter the remaining five Mining Leases (Ms09/161-165 inclusive) in the Yangibana Project area (Figure 2) were granted.

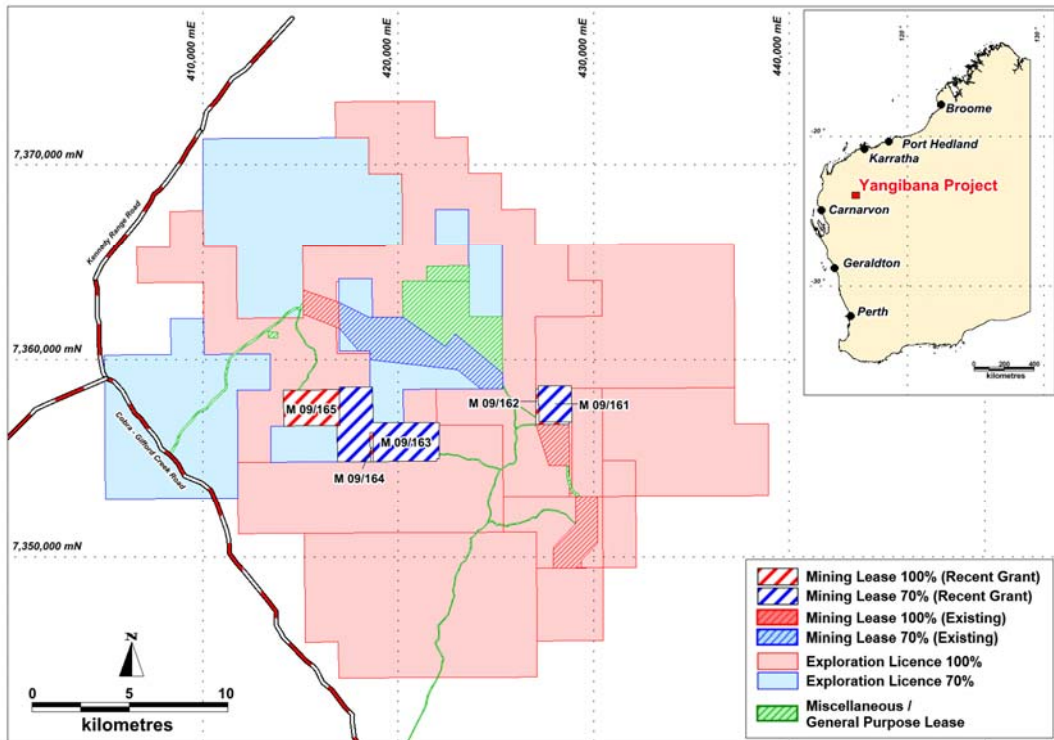


Figure 2 – Yangibana Project – Current Tenements following grant of new MLs

The five (5) new MLs cover defined JORC resources, drilled targets and potential extensions to each of these deposits that warrant further exploration as indicated below:-

- M09/161 includes the Bald Hill North JORC Inferred Resource of 102,000 tonnes at 0.43%TREO with 0.25%Nd₂O₃-Eq and the potential northern extension of this mineralisation;
- M09/162 includes the northern portion of the Bald Hill South JORC resource comprising Indicated Resources of 51,000 tonnes at 0.78%TREO with 0.45%Nd₂O₃-Eq and Inferred Resources of 108,000 tonnes at 0.83%TREO with 0.49%Nd₂O₃-Eq;
- M09/163 includes the eastern portion of the Yangibana Prospect where recent RC drilling (ASX announcement of 24th September 2015) returned a best intersection of 1m at 1.39%TREO with 0.98%Nd₂O₃-Eq, and the majority of the Yangibana South Prospect where recent RC drilling returned best intersections of 3m at 1.65%TREO with 1.06%Nd₂O₃-Eq and 1m at 0.58%TREO with 0.43%Nd₂O₃-Eq;
- M09/164 covers a small sliver of the Yangibana South Prospect where previous RC drilling returned a best intersection of 1m at 0.49%TREO with 0.32%Nd₂O₃-Eq; and

- M09/165 includes the western extension of the Yangibana Prospect where recent RC drilling has returned best intersections of 4m at 0.94%TREO with 0.60%Nd₂O₃-Eq and 5m at 0.93%TREO with 0.69%Nd₂O₃-Eq.

With all applications now granted, Hastings now holds interests in nine (9) MLs covering 47.8 sq km within the overall Yangibana Project area as shown in Figure 1. Six (6) of the MLs, covering 16.6 sq km, are held 100% by the Company with three (3) MLs, covering 31.2 sq km, held in a joint venture in which Hastings holds a 70% interest and is manager.

All JORC resources (currently comprising 8.13 million tonnes at 1.11% TREO in Indicated Resources and 4.24 million tonnes at 1.09% TREO in Inferred Resources), plus deposits tested by previous drilling, plus potential extensions to these are now held under ML.

All granted MLs are free of Native Title claims.

NEW TARGETS IDENTIFIED

During December 2015 and January 2016 the Company carried out site assessments at a number of targets within the southern portion of the overall project area. Numerous ironstone, quartz and carbonatite lenses were assessed and rock chip samples taken for analysis. A number of new targets have been identified for further evaluation.

Figure 3 provides data on all rock chip samples taken by Hastings over the Yangibana Project and illustrates the comparison of the recent sample results with the overall area.

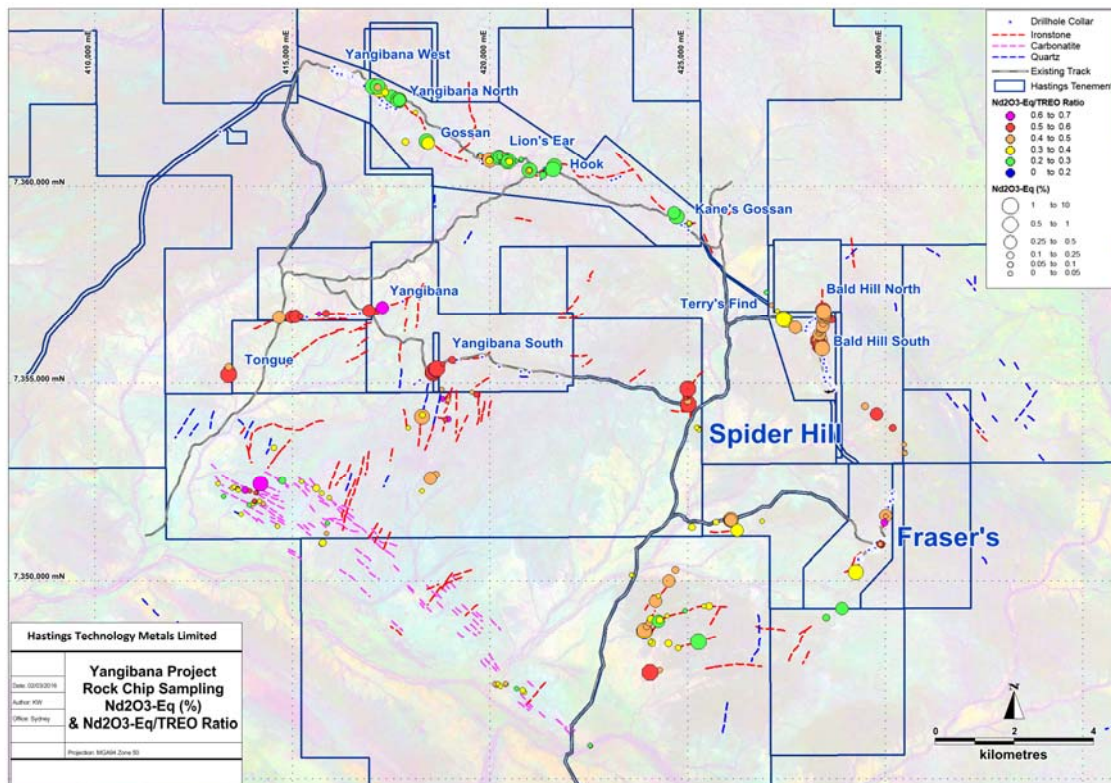


Figure 3 – Yangibana Project – Rock Chip Sampling Results

BROCKMAN PROJECT

The Brockman deposit, located at Halls Creek, Western Australia, contains JORC Indicated and Inferred Resources totalling 41.4 million tonnes (comprising 32.3mt Indicated Resources and 9.1mt Inferred Resources) at 0.21% TREO, including 0.18% HREO, plus 0.36% Nb₂O₅ and 0.90% ZrO₂.

No work was carried out on the Brockman Project during the quarter.

TERMINOLOGY USED IN THIS REPORT

TREO is the sum of the oxides of the heavy rare earth elements (HREO) and the light rare earth elements (LREO).

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).

CREO is the sum of the oxides of neodymium (Nd), europium (Eu), terbium (Tb), dysprosium (Dy), and yttrium (Y) that were classified by the US Department of Energy in 2011 to be in critical short supply in the foreseeable future.

LREO is the sum of the oxides of the light rare earth elements lanthanum (La), cerium (Ce), praseodymium (Pr), neodymium (Nd), and samarium (Sm).

NEODYMIUM EQUIVALENCE

Hastings is concentrating its efforts on the recovery of four important rare earths – neodymium, praseodymium, dysprosium and europium. To portray the grade of the mineralisation Hastings has established neodymium-equivalent figures where:-

The Nd₂O₃ equivalent (Nd₂O₃-Eq) values have been calculated based on the following rare earths prices. These prices have been established by independent consultants Adamas Intelligence in its report entitled “Rare Earth Market Outlook, Update: Supply, Demand and Pricing from 2014 through 2020” dated 30 June 2015, and are being used by Hastings in the evaluation of the project.

For further information please contact:

Andrew Border, General Manager Exploration +61 2 8268 8689

Charles Tan, Chief Operating Officer +61 2 8268 8689



About Hastings Technology Metals

- Hastings Technology Metals is a leading Australian rare earths company, with two rare earths projects hosting JORC-compliant resources in Western Australia.
- The Yangibana Project hosts JORC Indicated and Inferred Resources totalling 12.36 million tonnes at 1.10% TREO, including 0.44% Nd₂O₃-Eq (comprising 8.13 million tonnes at 1.11% TREO Indicated Resources and 4.24 million tonnes at 1.09% TREO in Inferred Resources).
- The Brockman deposit contains JORC Indicated and Inferred Resources totalling 41.4 million tonnes (comprising 32.3mt Indicated Resources and 9.1mt Inferred Resources) at 0.21% TREO, including 0.18% HREO, plus 0.36% Nb₂O₅ and 0.90% ZrO₂.
- 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. In November 2015 Snowden completed an updated Scoping Study of the Yangibana Project that confirmed the economic viability of the Project and Hastings is advancing work on a Pre-Feasibility Study.

Competent Persons' 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.

The Pre-Feasibility Study Financial Evaluation has been compiled under the supervision of Tetra Tech Proteus under the management of Mr Greg Short. Mr Short is a full time employee of Tetra Tech Proteus and a Fellow of the Australasian Institute of Mining and Metallurgy and a Fellow of the Institution of Engineers Australia.

The mining section of the report has been undertaken by Snowden Mining Industry Consultants under the supervision of Mr Frank Blanchfield. Mr Blanchfield is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience relevant to the type of deposit and mining technique which are covered in this announcement and to the activity which he is 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"). Mr Blanchfield consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.



Cautionary statement

This document contains certain forward-looking statements with respect to the financial condition, results of operations and business of Hastings. The words “intend”, “aim”, “project”, “anticipate”, “estimate”, “plan”, “believes”, “expects”, “may”, “should”, “will”, or similar expressions, commonly identify such forward-looking statements.

Examples of forward-looking statements in this document include those regarding mineral resources, anticipated production or construction dates, costs, outputs and productive lives of assets or similar factors. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors set forth in this document that are beyond the Hastings' control. For example, future ore reserves will be based in part on market prices that may vary significantly from current levels. These may materially affect the timing and feasibility of particular developments. Other factors include the ability to produce and transport products profitably, demand for our products, the effect of foreign currency exchange rates on market prices and operating costs, and activities by governmental authorities, such as changes in taxation or regulation, and political uncertainty.

In light of these risks, uncertainties and assumptions, actual results could be materially different from projected future results expressed or implied by these forward-looking statements which speak only as to the date of this report. Except as required by applicable regulations or by law, Hastings does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information or future events. Hastings cannot guarantee that its forward-looking statements will not differ materially from actual results.

APPENDIX 1 - Commodity Prices for Target Oxides

Oxide	US\$/kg
Neodymium Oxide	103.69
Praseodymium Oxide	92.55
Dysprosium Oxide	480.97
Europium Oxide	420.49
Gadolinium Oxide	49.57
Samarium Oxide	3.85



TENEMENT SCHEDULE

as at 31 March 2016 (All tenements are in Western Australia)

YANGIBANA PROJECT

Hastings Technology Metals Ltd

E09/2084 100%

E09/2086 100%

E09/2095 100%

P09/482 100%

M09/157 100%

E09/2129 100%

Gascoyne Metals Pty Limited (100% subsidiary)

E09/1989 100%

E09/2007 100%

E09/2137 100%

E09/1043 70%

E09/1049 70%

E09/1703-1706 70%

M09/159 70%

M09/160 100%

M09/161, 163 70%

M09/164, 165 100%

G09/10 100%

G09/11 70%

L09/66-75 100%

Yangibana Pty Limited (100% subsidiary)

E09/1700 100%

E09/1943-1944 100%

E09/2018 100%

P09/467 100%

M09/158 100%

M09/162 100%

BROCKMAN PROJECT

Brockman Project Holdings Pty Limited (100% subsidiary)

P80/1626-1635 100%

E80/4555 100%

EA80/4970 100%