



**ASX ANNOUNCEMENT**

**8 December 2014**

**SHARE PLACEMENT CLOSES OVERSUBSCRIBED - \$6.5 MILLION  
RAISED TO FUND PRE-FEASIBILITY STUDY OF THE YANGIBANA  
RARE EARTHS PROJECT**

**HIGHLIGHTS**

- An oversubscribed placement (at 7 cents per share) has been agreed with institutional and sophisticated investors raising \$6.5 million
- Placement was strongly supported by existing substantial shareholders and a number of new investors. Directors will participate for approximately \$480,000, subject to shareholder approval
- Funds to be used for a pre-feasibility study (PFS) of the Yangibana rare earths project
- Proposed Share Purchase Plan (SPP) at 7 cents per share as per Placement price, to enable existing shareholders to participate, will raise further \$2 million

Hastings Rare Metals Ltd (ASX: HAS) (“Hastings” or the “Company”) is pleased to announce that it has firm commitments in a placement for the issue of 93,500,000 new fully paid ordinary shares at 7c per share to raise approximately \$6.5 million before costs. The placement was strongly supported by the Company’s substantial shareholders and a number of new investors. The Directors have agreed to participate for approximately 6.9 million shares, subject to shareholder approval.

Proceeds of the capital raising will be used for undertaking a PFS for the Yangibana rare earths project. This follows the positive results shown by the Scoping Study prepared by Snowden<sup>1</sup>.

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<sup>1</sup> See ASX Announcement dated 3 December 2014



The PFS 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 design and costing
- Government regulatory approvals
- Environmental studies
- Pilot plant confirmation
- Indigenous Culture & Heritage Agreements

Executive Chairman Charles Lew said *“we are delighted with the significant support from existing and new shareholders given the quality of our resource base and underlying economic viability of the Yangibana Project. With a strong cash balance, we are confident of progressing Yangibana through to its next phase of mine development and also strengthening our strategic position in the rare earths market.”*

The placement will be made under the 70 million share placement capacity approved by shareholders at the Company’s recent annual general meeting, with the balance issued under the Company’s 15% placement capacity. The shareholder meeting to approve the issue of placement shares to directors will be held in mid January 2015 (details to be provided at a later date).

In addition, the Company also proposes a SPP to enable all existing shareholders to subscribe for shares at the same price of 7 cents per share. The placement funding of \$6.5 million plus the proposed SPP of \$2 million, totalling \$8.5 million, will ensure that the PFS is fully funded to its completion. Details for the SPP, including a detailed timetable, will be announced shortly. The date to identify security holders who may participate in the SPP is 5 December 2014.

**For further information please contact:**

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## 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 totalling 6.79 million tonnes at 1.52% TREO, including 0.35% Nd<sub>2</sub>O<sub>3</sub> (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% 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 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.*