



ASX Announcement
1 August 2011



JUNE QUARTER ACTIVITIES REPORT

The Manager

Company Announcements Office
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Directors

David Nolan (Chairman)
Mathew Walker (Executive Director)
Anthony Ho (Director)
James Robinson (Director)

Management

Andy Border (Exploration Manager)
Simon Coxhell (Geologist)

Advisor Board

Dr Tony Mariano
Tony Grey

ASX Code

HAS (Fully Paid Ordinary Shares)

Shares on Issue

58,500,000

Options on Issue

37,500,000

Hastings Project

- Reverse circulation drilling commenced on 9 June and was completed on 22 July with 51 holes drilled for a total of 7437m.
- Further diamond drilling continues and is anticipated to be completed within the next 2 weeks.
- Samples have been dispatched for assay with initial results expected within 5 – 10 days.
- Representative samples are being collected during drilling to commence preliminary metallurgical test work.
- A revised resource estimation is expected to be completed by end August 2011.

Yangibana Project

- Acquisition of a 60% interest in the Yangibana Rare Earth Project in Gascoyne Region of Western Australia.
- Historical data is currently being reviewed and an exploration program prepared.
- At least nine (9) rare earth occurrences are known to occur within the Project area.
- Over 7 km of largely under explored known strike length.
- Over 3500 metres (80 holes) of historical RC drilling confirms grades of up to 3.21% TREO.
- Extremely high proportion of neodymium oxide values have been confirmed - up to nearly 40% of TREO grades in some samples.



Figure 1 - Location of the Hastings and Yangibana Projects

Hastings Project

During the quarter the Company commenced drilling activities at the Company's flagship Hastings Rare Metals Project (the "Hastings Project") near Halls Creek in the East Kimberley Region of Western Australia. The Hastings Project is held under ten (10) Prospecting Licences covering an area of 1,990 hectares.

Two drill rigs are currently on site and Hastings is expecting to complete the drilling program for approximately 8,000 metres within the month of August.

Holes are initially being drilled on 200m-spaced sections from local grid 9200N to 10800N, i.e. over 1,600m of strike, being the majority of the deposit included in the current resource estimate that extends from 9100N to 11100N.

Geological logging of the holes is being aided by the use of a scintillometer to define the mineralised zone which is also anomalous in Thorium. On the basis of results to date, the mineralised zone appears to occur within the folded, vertical to locally overturned western limb of a southerly plunging synclinorium as originally indicated by detailed mapping of the area by Union Oil Development Corporation in the mid-1980s.

Drilling indicates that the depth of oxidation within the mineralised zone ranges from 10m to 36m, averaging 23m. A variably developed transition zone extends to a further average 12m depth.



Figure 2 –Hastings Mineralisation in outcrop, July 2011

Samples are being assayed for the full range of potential rare metals and rare earths including zirconium (Zr), niobium (Nb), tantalum (Ta), yttrium (Y), gallium (Ga) and hafnium (Hf) and dysprosium (Dy).

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Yangibana Project

During the quarter the Company announced it had entered into an agreement to acquire a 60% interest in the Yangibana Rare Earth Project (the "Yangibana Project") in the Gascoyne region of Western Australia. The Yangibana Rare Earth Project comprises six (6) granted Exploration Licences covering 68 sub-blocks and approximately 203 square kilometres.

Nine individual occurrences of rare earth elements ("REE") are known to occur within the Project area including Yangibana, Yangibana North, Yangibana South, Lions Ear, Gossan, Hook, Hook South, Kanes Gossan and Tongue.



Figure 3 – Surface Expression of Rare Earth Mineralisation at Yangibana Rare Earth Project

Figure 3 above shows the rare earth mineralisation surface expression of the Yangibana Project in blue. The distance of traceable mineralisation is in excess of 7 kilometres although only a small portion of this is visible in the photograph.

Past exploration of the Yangibana Project has included the drilling of 80 RC holes for 3500 metres which was conducted by Challenger Mining Corporation in 1988. The drilling showed that the individual anomalous REE zones extend for several hundred metres in strike and extend down to at least 50 metres vertical depth. They are variably dipping from shallow to moderately dipping (10-70 degrees) and vary in true thickness from 2-6 metres. These activities relate to only 2.2km of the potential strike length of over 7 km within the Project area.

Better intersections returned from this drilling were:

- 4.5m at 2.22% Total Rare Earth Oxides ("TREO") from Yangibana North,
- 3.5m of 3.21% TREO from Hook,
- 4.6m at 1.83% TREO from Lion's Ear,
- 7.1m at 1.43% TREO from Kane's Gossan, and
- 6.0m at 1.81% TREO from Bald Hill.

More recently, in 2007-2008 fifty six (56) rock chip samples were collected over only 2 km of the 7 km strike length and returned average results of 2.84% TREO including one sample of 19.44% TREO, which provides an excellent guide for further exploration.

The mineralisation composition is strongly biased towards the rare earth neodymium. The unusually high neodymium oxide values as a proportion of TREO are as high as nearly 40% of TREO in some samples.

Neodymium is predominantly used in magnets and neodymium magnets are the strongest known permanent magnets – a neodymium magnet of only a few grams can lift one thousand times its own weight.

Hastings plans to evaluate the Yangibana Project to determine the potential size of the prospect and to establish JORC-compliant resources, whilst undertaking metallurgical test work to identify the optimum processing route for the Yangibana Project material.

Consideration for the Yangibana Project acquisition was an Initial Payment of AUD 1,000,000 on settlement with a Further Payment of AUD 1,000,000 on or before 31 October 2011. A Milestone Payment of AUD 2,000,000 is also payable if and when the Company completes a Feasibility Study on the Project and obtains a formal offer for Project financing.

Yours faithfully



MATHEW WALKER
EXECUTIVE DIRECTOR

For further information please contact:

Hastings Rare Metals Limited, Tel: (08) 6460 4960 www.hastingsraremetals.com

Competent Person's Statement

The information in this presentation that relates to Exploration Results is based on information compiled by Simon Coxhell. Simon Coxhell is a consultant to the Company and a member of the Australian Institute of Mining and Metallurgy. Simon Coxhell has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this presentation and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code"). Simon Coxhell consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

HASTINGS RARE METALS LIMITED

ABN

43 122 911 399

Quarter ended ("current quarter")

30 June 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(214)	(606) (259)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	61	35 ¹
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (GST Refund)	24	73
Net Operating Cash Flows	(377)	(1,358)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(1,229)	(2,199) (700)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	28 121	28 229
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	(1,080)	(624)
1.13 Total operating and investing cash flows (carried forward)	(1,457)	(2,000)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,457)	(2,000)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.		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 (placement costs)		(32)
	Net financing cash flows		1,483
	Net increase (decrease) in cash held	(1,457)	(517)
1.20	Cash at beginning of quarter/year to date	4,904	3,960
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	3,447	3,447

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	(220)
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, legal 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

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

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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	(1,000)
4.2 Development	
4.3 Production	
4.4 Administration	(250)
Total	(1,250)

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	447	1,154
5.2 Deposits at call	3,000	3,750
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	3,447	4,903

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	E77/987	Direct interest sold	100%	0%
6.2 Interests in mining tenements acquired or increased	E09/1043, E09/1049, E09/1703 – E09/1706	Acquisition of JV Participant	0%	60%

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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	- -	- -	- -	- -
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 5,000,000 Consultants' 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		-
7.8	Issued during quarter	5,000,000 Consultants' Options	Nil	Nil	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	Debentures <i>(totals only)</i>	-	-	-	-
7.12	Unsecured notes <i>(totals only)</i>	-	-	-	-

+ See chapter 19 for defined terms.

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 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 01/08/2011

Company Secretary

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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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