HASTINGS
Technology Metals Limited

Annual Report 2017

CORPORATE INFORMATION

ABN 43 122 911 399

Board of Directors and Senior Management

Mr Charles Lew – Executive Chairman
Mr Anthony Ho - Non-Executive Director
Mr Jean Claude Steinmetz – Non-Executive Director
Mr Guy Robertson – Executive Director and Company Secretary

Registered office

Level 5, 50 Clarence Street
Sydney NSW 2000 Australia
Telephone: +61 (2) 9078 7674
Fax: +61 (2) 9078 7661

Principal place of business

Level 5, 50 Clarence Street
Sydney NSW 2000 Australia

Share register

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153
Telephone: +61 (8) 9315 2333

Bankers

HSBC – Perth WA 6000 Australia
Westpac - Sydney NSW 2000 Australia

Auditors

HLB Mann Judd
Level 4, 130 Stirling Street
PERTH WA 6000

Website

www.hastingstechmetals.com

Securities Exchange

Australian Securities Exchange

ASX Code: HAS

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LETTER FROM THE CHAIRMAN

Dear fellow shareholders,

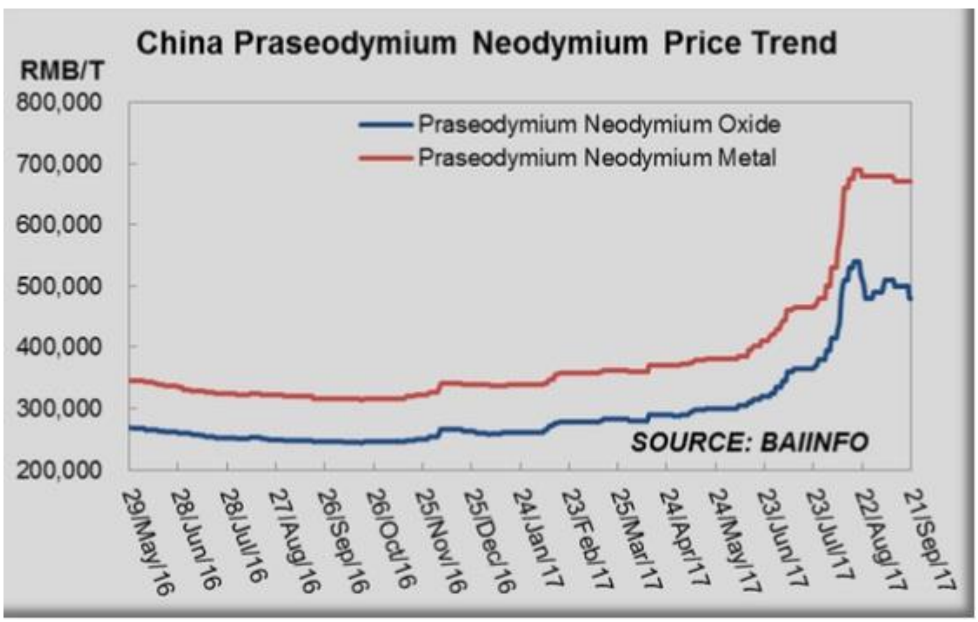
The 2017 year can truly be described as transformational for your Company.

Following COP21 (Paris Climate Conference in December 2015), the Paris (Climate) Agreement entered into force on 4 November 2016, with 158 countries now having signed and ratified, signifying legal intent to be bound by its terms.

Responsible signatory nations moved in 2016/17 to develop national policies to meet their Paris undertakings for reduction in carbon emissions. In April 2017 India was the first country to announce a target of an all electric car nationwide by 2030. This was followed by similar announcements from France, United Kingdom, Norway and latterly, China. This changing macro environment was further augmented with announcements from leading car manufacturers such as Volvo that it would have an electric version in each of its model range from 2019 and Volkswagen, the world's largest car manufacturer, with plans to invest €20bn to become the global leader in electric cars by 2025.

The global de-carbonization process has commenced in earnest.

Hastings is perfectly positioned to be a major supplier of key rare earth oxides of neodymium and praseodymium, critical for the manufacture of permanent magnets to drive electric motors. Prices for these rare earths has risen well in excess of 85% since January 2017. See graph below.



In our Operations Review section of this Annual Report we outline our outstanding achievements at the Yangibana Project during the year in resource definition, metallurgy, permitting, engineering and commercial. The highlights include:

- Exploration success continued during the year with total resources now standing at 17.02 million tonnes at 1.27%TREO including 0.41% Nd_2O_3+Pr_6O_{11}. These figures indicate that contained TREO has increased to 216,000 tonnes, a 63% increase on last year's estimate of 132,500 tonnes, and contained Nd_2O_3+Pr_6O_{11} has increased to 68,900 tonnes, a 65% increase on last year's estimate of 41,850 tonnes. The major increases have come from deposits held 100% by Hastings, predominantly at Bald Hill.
- In March 2017, continuous beneficiation pilot plant testing successfully validated the simple flowsheet of the Yangibana flotation process and confirmed 70% TREO recovery at a final concentrate grade of 23% TREO. Optimised flotation circuit chemistry improved recovery to >80% at a higher TREO grade.
- Pilot plant testing of the hydrometallurgy (Hydromet) circuits completed in May 2017, successfully validated the flowsheet of the Yangibana Hydromet processes. The pilot plant achieved or exceeded the operational process parameters set by the initial hydrometallurgy process flowsheet, with rare earths recoveries at or above 94% for water leach, 95% for impurity removal and 98.5% for carbonate precipitation. 50 kilograms of Mixed Rare Earths Carbonate (MREC) was generated from the pilot plant to be used as samples for potential customers.

- Permitting applications filed in April 2017 included the Environmental Impact Assessment (EIA) lodged with Western Australia (WA) Environmental Protection Authority (EPA), the Referable Submission lodged with Commonwealth Department of Environment and Energy and the Preliminary Mine Development Proposal (MDP) lodged with WA Department of Mines and Petroleum (DMP).
- Following these submissions the Project gained Lead Agency Project Status enabling an increased level of co-ordinated support from the various West Australian Government agencies.

Concurrent with the above activities, a collegiate approach to negotiating a Native Title Agreement is in progress. We are confident that a good working relationship with the Yamatji Marlpa Traditional Owners (on which the Yangibana Project is located) will be achieved.

Subsequent to year end the Company signed three Offtake Memorandum of Understanding (MOU) agreements with three major Chinese rare earth companies, Baotou Skyrock Rare Earth, China Rare Earth Holdings Ltd and Qiandong Rare Earth Group. These agreements provide confirmation of the confidence that potential customers have in our ability to deliver a product to their required specifications within our planned production timeline, and the demand for the Company's high quality Neodymium-Praseodymium product.

During the year we augmented our in house technical and support expertise as the Yangibana Project moves towards completion of our Definitive Feasibility Study. These appointments included:

Aris Stamoulis – Associate Director of Corporate Finance, previously with Deutche Bank and Morgan Stanley, experience in capital markets and structured financing, joined us in September 2016.
Robin Zhang – Process Engineering Manager, 20 years experience in rare earth project engineering, plant commissioning and operations, including 8 years with Lynas Corporation joined us in June 2016.
Kok Hoong Leong - Project Director, previously the Senior Manager Project for Lynas Malaysia/Lynas Corporation responsible for Phase 2 EPC and commissioning of plants in Malaysia and Western Australia joined us in April 2017.
Subsequent to year end the team was further strengthened with the addition of Pit Wah Chung, Chief Financial Officer, Valerie Quay, Associate Director Business Planning and Dr Nursen Guresin, Senior Metallurgist.

On the Corporate front Mr Malcolm Mason retired from the Board in March 2017 after overseeing the exploration and technical activities since June 2013 when he joined the board. His invaluable contribution to the company in the last 4 years is much appreciated and we wish him well in retirement.

In June this year, the Company completed a fully underwritten Share Purchase Plan which raised \$5 million, before costs, and subsequent to year end raised a further \$16.2 million through a share placement. The money raised will be used to complete our DFS (due in November) and commence infrastructure related earth works on site at Yangibana. Our plan is to work towards commencing production of our MREC in the last quarter of 2019.

The support of shareholders and investors is reflected in the strong rise in our share price and resultant market capitalisation.

We are confident that the positive macro environmental window, our high-grade mineralisation, our cost effective extraction of the rare earths and the expertise and experience assembled within the Hastings team will contribute to creating shareholder value in the years ahead.

On behalf of the board, I thank our shareholders for their ongoing support and the Hastings team for their contribution to another year of notable and significant progress.

Charles Lew
Executive Chairman
28 September 2017

Directors

Charles Lew, Executive Chairman

Anthony Ho, Non-Executive Director

Jean Claude Steinmetz, Non-Executive Director

Guy Robertson, Executive Director

REVIEW OF OPERATIONS

YANGIBANA PROJECT

METALLURGICAL WORK

The year has seen the metallurgical team focused at confirming the ability to scale up through pilot plant operations, improving the process cost, optimising and improving the process performance to deliver a more cost-effective project. Developments that have earmarked our progress this year:

- Successful development of an alternative collector and an optimised flotation process performance with flotation collector cost being less than 70% of the cost defined at the PFS stage for the Eastern Belt Master Composite (EBMC) ore body.
- Optimised and improved hydrometallurgy process flowsheet and process performance.
- Completing a continuous run pilot plant testing for Beneficiation at ALS Metallurgy in Perth and a pilot plant testing of the Hydrometallurgical (Hydromet) circuit at ANSTO Minerals (a business unit of the Australian Nuclear Science and Technology Organisation), located in Lucas Heights, New South Wales.
- Validated the development work by Hastings technical team using commercially-available equipment and reagents, incorporating standard industry practices both for the Beneficiation and Hydrometallurgy pilot plants, successfully demonstrating the viability of the Yangibana metallurgical process and scaling-up to commercial production.
- Upgraded the TREO content from the run of mine (ROM) ore to final product by 20 times. Ongoing improvement in the laboratory, through optimised flotation circuit chemistry, has now resulted in further improved recovery to more than 85% at more than 25% TREO grade.
- Met or exceeded the operational process parameters set by the initial hydrometallurgy process flowsheet, with rare earths recoveries at or above 94% for water leach, 95% for impurity removal and 98.5% for carbonate precipitation. The major product impurities - manganese, iron, thorium and uranium were removed or controlled within acceptable tolerance range.
- Produced over 50 kilograms of Mixed Rare Earths Carbonate (MREC) from the pilot plant operation. Samples despatched to potential customers for their validation of Hastings's product quality.
- Identifying the compatibility of the DFS process flowsheet to ore types across the overall deposits through variability test work. Hastings' metallurgy team is developing an in-depth understanding of the range of minerals in the resources and how they can be processed through the standard flotation circuit design. This will guide the blending requirements for the different ore bodies during production.
- Further optimising the process performances and provide further information for the plant design.

In summary, planning and execution is well advanced into the engineering design for the Yangibana project.

APPLICATIONS AND PERMITS

Over the last year, Hastings has conducted a thorough assessment of the baseline environmental values at the Yangibana Rare Earths Project. These studies have supplemented two key Approvals applications, which were submitted to the Commonwealth Department of the Environment and Energy (DoEE) and the Western Australia Environmental Protection Authority (EPA). Under a certified process between the State and Commonwealth governments, the EPA is managing the formal Environmental Impact Assessment process. Hastings formally presented the Project to the EPA in May 2017. The Project approvals took a significant step forward with the EPA adopting the Environmental Scoping Document (ESD).

Land tenure for all mining leases were granted by the Department of Mines, Industry Regulation and Safety (DMIRS; formally DMP), and outstanding miscellaneous lease applications for infrastructure are expected to be approved within the next couple of months.

Since lodging key Approvals documentation with the EPA and DMIRS, and the DoEE, Hastings has been granted lead agency status by the DMIRS. Under the Lead Agency Framework, the Western Australian government recognises the importance of the Project, and only offers high priority support and assistance to a select number of resource projects. Hastings is currently responding to the work program in the EPA's approved ESD through an iterative review process under the guidance of the DMIRS Lead Agency Framework.

GEOLOGY, EXPLORATION AND RESOURCES

Major drilling programmes carried out during the year significantly increases the JORC Resources at the Yangibana Project, including the delineation of the first Measured Resources for the project. The new resource estimate, completed by independent consultant Widenbar and Associates, provides the following diluted resources:-

Category	Tonnes	Nd_2O_3+Pr_6O_{11}	TREO	Nd_2O_3	Pr_6O_{11}
		%	%	ppm	ppm
Measured	2,921,000	0.42	1.04	3,370	800
Indicated	7,190,000	0.44	1.43	3,420	950
Inferred	6,904,000	0.37	1.21	2,860	800
TOTAL	**17,016,000**	**0.41**	**1.27**	**3,180**	**870**

These resources occur in a number of deposits as shown in Figure 1. The resources incorporate dilution based on 0.5m beyond both the footwall and the hanging wall to the mineralisation. Average dilution over the total resource is 27%.

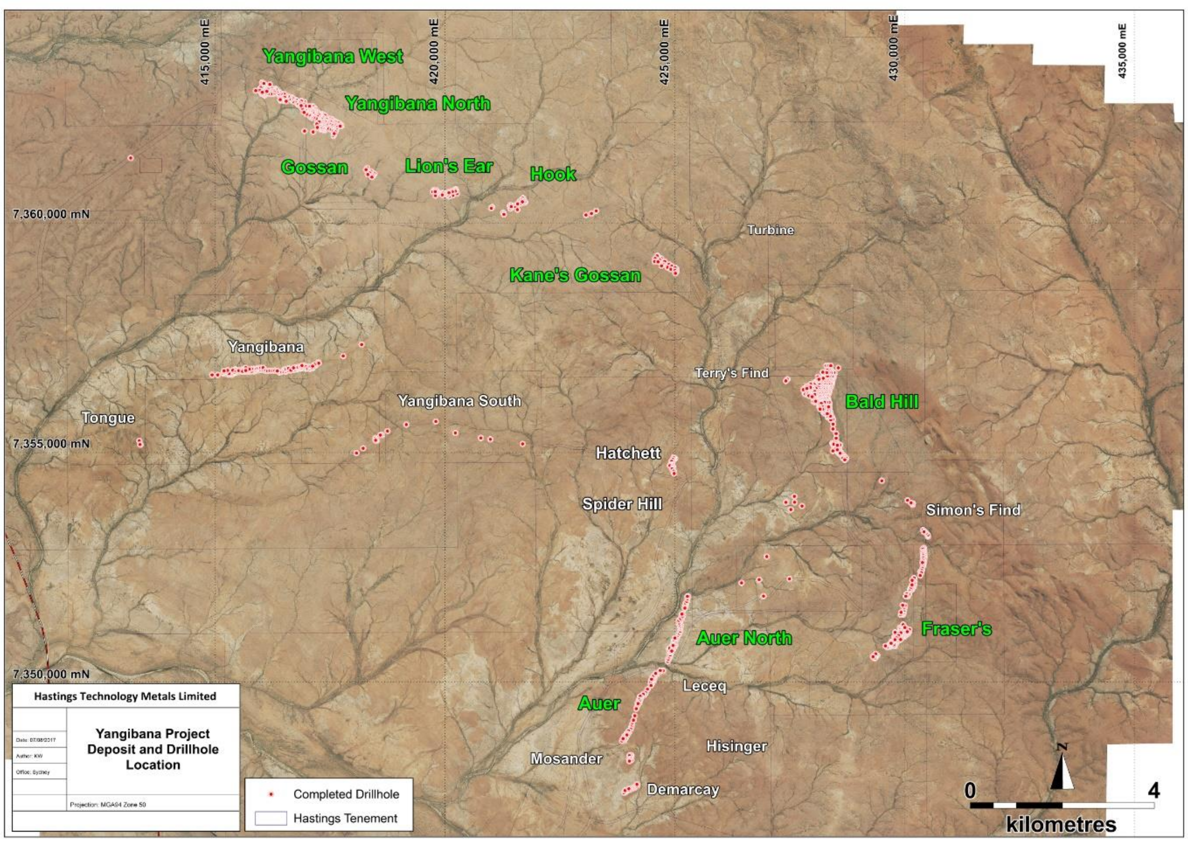


Figure 1 – Yangibana project, deposits included in current JORC Resources

Of the total resources, Hastings holds a 100% interest in the Bald Hill, Fraser's, Yangibana West, Auer and Auer North deposits with the following resources:-

Category	Tonnes	$Nd_2O_3+Pr_6O_{11}$	TREO	Nd_2O_3	Pr_6O_{11}
		%	%	ppm	ppm
Measured	2,921,000	0.42	1.03	3,370	800
Indicated	4,543,000	0.46	1.40	3,660	980
Inferred	4,281,000	0.38	1.13	3,000	820
TOTAL	**11,745,000**	**0.42**	**1.21**	**3,350**	**880**

and a 70% interest in the Yangibana North, Gossan, Lion's Ear, Hook, and Kane's Gossan deposits with the following resources:-

Category	Tonnes	$Nd_2O_3+Pr_6O_{11}$	TREO	Nd_2O_3	Pr_6O_{11}
		%	%	ppm	ppm
Indicated	2,647,000	0.46	1.80	3,500	1,090
Inferred	2,623,000	0.38	1.48	2,870	890
TOTAL	**5,270,000**	**0.44**	**1.64**	**3,190**	**990**

The updated total resources of 17.02 million tonnes at 1.27% TREO including 0.41% $Nd_2O_3+Pr_6O_{11}$ represent a significant increase and upgrade compared to the resource estimate as at the 2016 Annual Report that stood at 12.36 million tonnes at 1.10% TREO including 0.35% $Nd_2O_3+Pr_6O_{11}$.

Significantly, the contained TREO has increased to 216,000 tonnes, a 63% increase on last year's estimate of 132,500 tonnes, and contained $Nd_2O_3+Pr_6O_{11}$ has increased to 68,900 tonnes, a 65% increase on last year's estimate of 41,850 tonnes. This is a significant increase in the value of each tonne of resource in the ground.

The major increases have come from deposits held 100% by Hastings, predominantly at Bald Hill.

To complement the ongoing drilling programmes, the Company commissioned a detailed aeromagnetic-radiometric survey over the majority of the tenement holding. Southern Geoscience Consultants (SGC) completed a detailed aeromagnetic data interpretation map indicating a geologically and structurally complex area (Figure 2), identifying numerous structural sites that can potentially host mineralisation associated with the multi-phase intrusive events that have occurred in the area. The known rare earths prospects are located along major structural boundaries, folded and faulted contact zones, or in other structurally favourable areas. SGC identified 22 significant areas of exploration interest (Figure 2), eleven of which are untested.

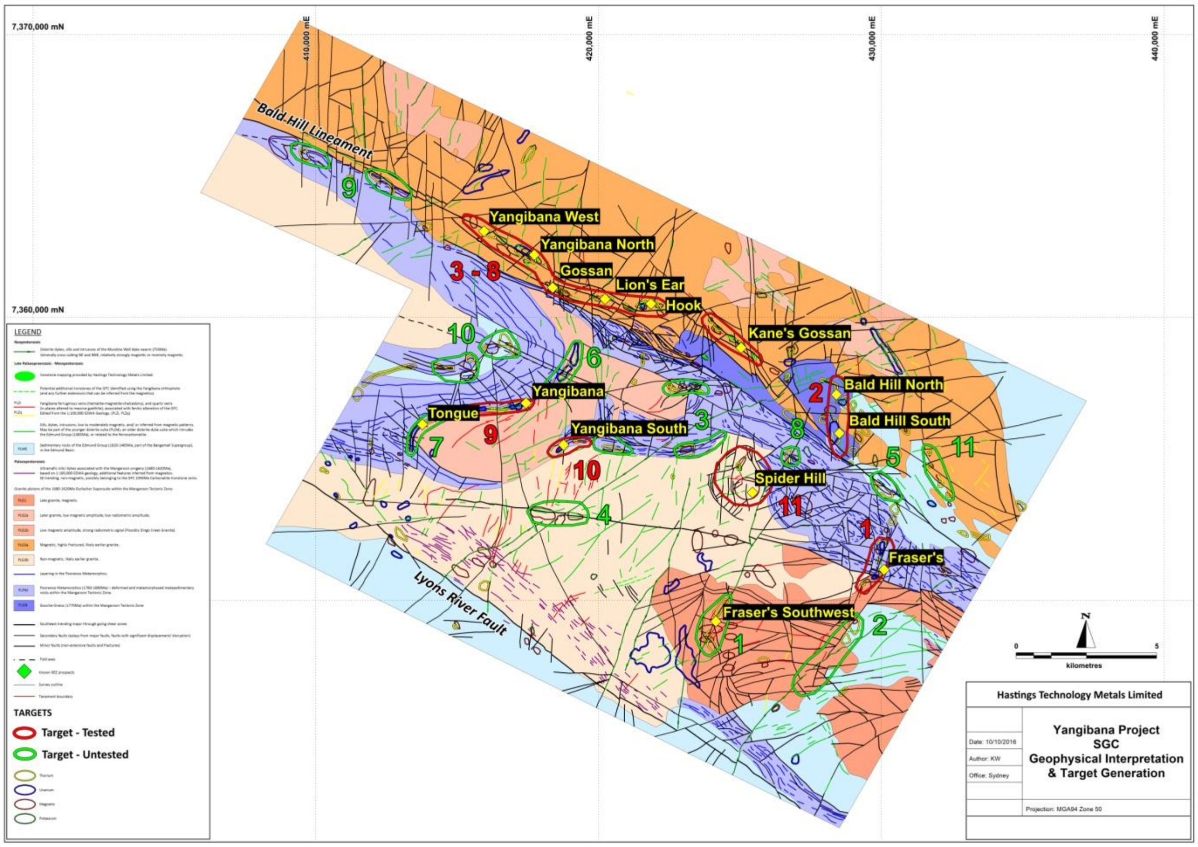


Figure 2 – Yangibana project, interpreted geology and targets identified

Each of the targets identified warrants follow-up detailed magnetic modelling to improve definition prior to drill testing. Such modelling was carried out by SGC to define the target at the northern end of the Auer prospect in the Fraser's Southwest area. This Auer North prospect has been successfully drill tested over some 2km under cover, intersecting significant widths of mineralisation.

BROCKMAN PROJECT

No exploration work was carried out on the Brockman Project during the year. Application was made for a Mining Lease covering the area currently held under ten Prospecting Licences.

CORPORATE

The Company completed a capital raising in November 2016 raising $3,025,000, before costs, through the issue of 27,500,000 shares at 11 cents per share and in June 2017 undertook a fully underwritten Share Purchase Plan to raise $5 million, before costs, through the issue of 58,139,534 shares at 8.6 cents per share. Under the Share Purchase Plan, 7,092,991 were placed with shareholders prior to year-end with the balance being issued subsequent to year-end.

Mr Malcolm Mason retired as a Director on 3 March 2017, and Mr Guy Robertson was appointed a Director on 31 July 2017.

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).

Charles Tan
Chief Operating Officer
28 September 2017

HASTINGS
Technology Metals Limited

Annual Mineral Resources Statement

Summary

This statement represents the Mineral Resources and Ore Reserves (MROR) for Hastings Technology Metals Limited (Hastings or the Company) as at 30 June 2017. This MROR statement has been compiled and reported in accordance with the guidelines of the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (2012 JORC Code).

This statement is to be reviewed and updated annually in accordance with Section 15 of the 2012 JORC Code. The nominated annual review date for this MROR statement is 30 June.

The Company's Mineral Resources increased at the Yangibana Project and remained unchanged at the Brockman Project (Halls Creek). The information in this statement has been extracted from the relevant reports as indicated below in each Mineral Resource table.

The quoted Yangibana Resource estimate was first reported in July 2017 in accordance with the 2012 JORC Code. The Company is not aware of any new information or data that materially affects the information included in the relevant market releases for this estimate. The Company confirms that all material assumptions and technical parameters underpinning the estimate in the relevant market releases continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented here have not been materially modified.

The-Brockman mineral resource estimate was first reported in September 2011 in accordance with the guidelines of the 2004 Edition of the JORC Code and has not been updated to comply with the 2012 JORC Code. The mineral resource estimate for the Southern Extension was first reported in the Company's December 2015 Quarterly Report. The Company is not aware of any new information or data that materially affects the information included in the relevant market releases for this estimate. The Company confirms that all material assumptions and technical parameters underpinning the estimate in the relevant market releases continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented here have not been materially modified.

Yangibana Project

	Category	Tonnes	$Nd_2O_3+Pr_6O_{11}$	TREO	Nd_2O_3	Pr_6O_{11}
			%	%	ppm	ppm
Bald Hill	Measured	2,698,000	0.40	0.99	3,210	750
	Indicated	1,765,000	0.43	1.10	3,460	830
	Inferred	1,153,000	0.40	1.06	3,240	800
Bald Hill SE	Indicated	303,000	0.29	0.70	2,380	540
	Inferred	95,000	0.19	0.47	1,580	350
Fraser's	Measured	223,000	0.66	1.56	5,270	1,350
	Indicated	654,000	0.65	1.53	5,150	1,340
	Inferred	689,000	0.31	0.73	2,440	620
Fraser's N and SW	Inferred	406,000	0.25	0.59	1,960	490
Auer and Auer North	Indicated	135,046	0.48	1.26	3,750	1,030
	Inferred	1,589,000	0.37	1.05	2,890	800
Yangibana West	Indicated	1,686,000	0.35	1.29	2,730	780
	Inferred	756,000	0.35	1.35	2,720	800
Yangibana North	Indicated	2,647,000	0.46	1.80	3,510	1090
	Inferred	715,000	0.47	1.84	3,560	1,100
Others	Inferred	1,820,000	0.34	1.37	2,610	820
Total Measured		2,921,000	0.42	1.04	3,370	800
Total Indicated		7,190,000	0.44	1.43	3,420	950
Total Inferred		6,904,000	0.37	1.21	2,860	800
TOTAL		**17,016,000**	**0.41**	**1.27**	**3,180**	**870**

Table 1: Yangibana Rare Earths Resources at a 0.2%$Nd_2O_3+Pr_6O_{11}$ cut-off, July 2017

The quoted Yangibana Mineral Resource was first reported July 2017 in accordance with the 2012 JORC Code (refer to ASX Release dated 24 July 2017 titled 'Another Major Increase in JORC Resources from current Yangibana Drilling", available to view at www.hastingsraremetals.com).

Annual Mineral Resources Statement (Continued)

Brockman Project

Category	Tonnes	ppm Nb_2O_5	ppm Ta_2O_5	ppm ZrO_2	ppm Ga_2O_5	ppm HfO_2	ppm TREO	ppm HREO	ppm Dy_2O_3	ppm Y_2O_3
Indicated	27,100,000	3545	182	8913	110	318	2103	1803	186	1120
Inferred	9,100,000	3547	182	8914	110	318	2100	1802	186	1120
TOTAL	**36,200.000**	**3546**	**182**	**8913**	**110**	**318**	**2102**	**1802**	**186**	**1120**

Table 2: Brockman Rare Metals-Rare Earths Resource at a 1,500ppm Nb_2O_5 cut-off. September 2011.

Brockman Southern Extension

Category	Tonnes	ppm Nb_2O_5	ppm ZrO_2	ppm TREO
Indicated	5,200,000	3900	9500	2200
TOTAL	**5,200,000**	**3900**	**9500**	**2200**

Table 3: Brockman Rare Metals-Rare Earths Southern Extension Resource at a 0.2%TREO cut-off. December 2015.

The Brockman Mineral Resource was first reported in the December 2015 Quarterly Report in accordance with the 2004 JORC Code (refer to ASX Release dated 29 January 2016 titled "Quarterly Report December 2017", available to view at www.hastingsraremetals.com).

Material Changes and Resource Statement Comparison

The Company reviews and report its mineral resources at least annually and provides an Annual Mineral Resource Statement. The date of reporting is 30 June each year, to coincide with the Company's end of financial year balance date. If there are any material changes to its mineral resources over the course of the year, the Company is required to promptly report these changes.

Governance Arrangements and Internal Controls

Hastings has ensured that the mineral resources quoted are subject to good governance arrangements and internal controls. The mineral resources reported have been generated by independent external consultants who are experienced in best practices in modelling and estimation methods. The consultants have also undertaken reviews of the quality and suitability of the underlying information used to generate the resource estimation. In addition, Hastings' management carries out regular reviews of internal processes and external contractors that have been engaged by the Company.

All mineral resources reported here were compiled in accordance with the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code) 2012 Edition.

Competent Persons' Statement

The information in this report that relates to Mineral Resources at the Yangibana Deposit is based on information compiled by Mr Lynn Widenbar of Widenbar and Associates Pty Ltd, and at Brockman by Mr Simon Coxhell of CoxsRocks Pty Ltd, both of whom are Members of the Australasian Institute of Mining and Metallurgy (AusIMM). Both are consultants to Hastings Technology Metals Limited and have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 and 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Widenbar and Mr Coxhell consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to Exploration Results is based on information compiled by Andy Border. Andy Border is an employee of the Company and is a Member of the Australian Institute of Mining and Metallurgy (AusIMM). Mr Border 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 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code"). Mr Border consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

TENEMENT SCHEDULE

as at 30 June 2017 (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%

DIRECTORS' REPORT

Your directors submit the annual financial report of the consolidated entity consisting of Hastings Technology Metals Ltd and the entities it controlled during the period for the financial year ended 30 June 2017. Pursuant to the provisions of the Corporations Act, the directors report as follows:

Directors

The names of directors who held office during or since the end of the year and to the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Name	**Particulars**
Mr Charles Lew	
Mr Anthony Ho	
Mt Jean Claude Steinmetz	Appointed 25 July 2016
Mr Guy Robertson	Appointed 31 July 2017
Mr Malcolm Mason	Resigned 3 March 2017

Names, qualifications, experience and special responsibilities

Mr Charles Lew
Executive Chairman

Qualifications: BA Hons Finance and Accounting, MSc Management Science

Mr Lew has more than 30 years of investment banking experience, including serving as Managing Director of ABN Amro's investment banking business in Singapore from 1997 to 2000. He has been involved in a diverse range of investment banking activities, including IPOs, equity placements, corporate mergers and acquisitions, debt/equity restructuring, private equity investments and venture capital financing.

After leaving ABN Amro in year 2000, Mr Lew started his own investment management company, Equator Capital, which manages a hedge fund that is primarily involved in trading global managed futures, US equities and options. In addition, the company has been a pre-IPO investor in growth companies in Singapore, Malaysia and China some of whom were subsequently listed on the Singapore Exchange.

Mr Lew served as an Independent Non-Executive Director of the RHB Banking Group from March 2004 until his retirement from the Group in May 2016. During this period, he was on the board of RHB Investment Bank Berhad (2004 to 2016), RHB Capital Berhad (2005 to 2007); and RHB Islamic Bank (2008 to 2016). He was an Independent Director on the board of Singapore Medical Group between 2007 and 2013. He is also Founder and Chairman of Muddy Murphy Holdings, an operator of traditional and concept pubs that was established in 1996.

He holds a BA (Hons) in Finance and Accounting from the University of East London and a MSc in Management Science from Imperial College, University of London.

Mr Anthony Ho
Non-Executive Director

Qualifications: B. Com (UNSW) CA, FCIS, FGIA, FAICD

Mr Ho is an experienced company director having held executive directorships and chief financial officer roles with a number of publicly listed companies. Mr Ho was Executive Director of Arthur Yates & Co Limited, retiring from that position in March 2002.

His corporate and governance experience includes being Chief Financial Officer/Finance Director of M.S. McLeod Holdings Limited, Galore Group Limited, the Edward H O'Brien group of companies and Volante Group Limited.

Mr Ho is currently the non-executive chairman of Greenland Minerals and Energy Limited (ASX: GGG) and non-executive chairman of Bioxyne Limited (ASX: BXN). Mr Ho was previously a non-executive director of Apollo Minerals Limited (ASX: AON) where he also chaired the audit committee, from July 2009 to March 2016, and non-executive chairman of Esperance Minerals Ltd (ASX: ESM) from September 2015 to March 2016.

Mr Ho holds a Bachelor of Commerce from the University of New South Wales and is a member of the Institute of Chartered Accountants Australia and New Zealand and a fellow of the Institute of Company Secretaries, the Governance Institute of Australia and the Australian Institute of Company Directors.

Mr Jean Claude Steinmetz
Non-Executive Director

Qualifications: BSc in Chemical Engineering, MSc in Industrial Management

Mr Steinmetz has been involved in the specialty chemical industry for more than 25 years with a strong focus on the automotive industry leading breakthrough projects in body developments and major reductions programmes of carbon dioxide (CO_2) in compliance with European and global legislation. Mr Steinmetz has also held management positions in Rhodia-Solvay, GE and Du Pont. He currently serves as Chairman of the Auto Plastic and Innovative Materials Committee of Sino-EU Chemical Manufacturers Association.

Mr Steinmetz's was previously Chief Operating Officer for the ASX listed rare earth company, Lynas Corporation where he had operational responsibility for the mining operations and concentration plant at Mount Weld in Western Australia and the Lynas Advanced Materials Plant (LAMP) in Malaysia. He also had oversight of the sales and marketing activities at Lynas.

He is fluent in English, Dutch, German and French. Mr Steinmetz has held no other directorships in the last three years.

Mr Guy Robertson
Financial Director

Qualifications: B. Com (Hons) CA

Mr Robertson has over 30 years' experience as a Director, CFO and Company Secretary of both public (ASX- listed) and private companies in both Australia and Hong Kong. He has had significant experience in due diligence, acquisitions, IPOs and corporate management. Mr Robertson has a Bachelor of Commerce (Hons) and is a Chartered Accountant.

Mr Robertson is currently a director of ASX listed Metal Bank Limited and Draig Resources Limited.

Company Secretary

Mr Guy Robertson B.Com (Hons) CA

Interests in the shares and options of the Company

The following relevant interests in shares and options of the Company or a related body corporate were held by the directors as at the date of this report.

Director	Number of fully paid ordinary shares	Number of options	Number of Performance of Rights
Mr Charles Lew	91,322,475	-	10,000,000
Mr Anthony Ho	4,500,780	-	2,500,000
Mr Jean Claude Steinmetz	174,419	-	2,500,000
Mr Guy Robertson	594,418	-	300,000

At the date of this report the Company had no options on issue.

Dividends

No dividends have been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year.

Principal Activities

The principal activity of the entities within the consolidated entity during the year was the exploration for natural resources and beneficiation and hydrometallurgy piloting for the Yangibana project. For a review of operations, please refer to the section Review of Operations on pages 6 to 10.

Operating results for the year and financial review

The comprehensive loss of the consolidated entity for the financial period, after providing for income tax amounted to $9,515 (2016: $277,130). The result for 2017 includes research and development tax offsets in the amount of $1,513,914 (2016: $934,702).

The Group's operating income increased to $196,732 (2016: $162,814) primarily an increase in interest income given additional funds on hand.

Expenses increased to $1,720,161 (2016: $1,374,646). Expenses have increased due to an increase in personnel, occupancy and marketing expenses as the Company completed its piloting studies and moved to engage with potential offtake partners.

Capitalised exploration increased to $40,595,235 (2016: $27,202,412) reflecting increased drilling activity on various deposits to provide samples for beneficiation and hydrometallurgy piloting, and the piloting metallurgy studies.

Net assets increased to $42,015,794 (2016: $37,243,609) reflecting capital raisings during the year of $4.8 million (before costs) and the result for the year.

Review of financial conditions

As at 30 June 2017 the consolidated entity had $4.3 million in cash assets. Subsequent to year end the Company raised $16.2m. These funds will facilitate the completion of the Definitive Feasibility Study and will be used for infrastructure works prior to mine permitting approval for processing plant construction. This will include construction of the Yangibana mine site access road, acquisition and commissioning of an accommodation camp and preliminary engineering design work on the production plant.

DIRECTORS' REPORT (continued)

Risk management and Corporate Governance

Details of the consolidated entity's Risk Management and Corporate Governance policies are contained within the Corporate Governance Statement which follows this Directors' Report.

Significant changes in the state of affairs

The following summary of events were significant milestones in the state of affairs of the Company during the year:

- Completion of Yangibana beneficiation and hydrometallurgy piloting.
- Completion of a $4.8 million capital raise placement before costs

Significant events after balance date

Subsequent to year end the Company raised $16.2 million through the issue of 81,125,000 shares at 20 cents each.

Other than as outline above there are no matters or circumstances that have arisen since the end of the financial period that have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or state of affairs of the consolidated entity in future financial years.

Shares under option

At the date of this report there were no options on issue. No options were granted to any member of the Company's key management personnel during the year.

Likely developments and expected results

During the coming year the Group plans to focus on the ongoing evaluation and development of both the Yangibana and Brockman projects.

The material business risks faced by the Company that are likely to have an effect on the financial prospects of the Company, and how the Company manages these risks, are:

- Future capital needs – the Company does not currently generate cash from its operations. The Company will require further funding in order to meet its continuing exploration activities and complete studies necessary to assess the economic viability of its projects, and corporate costs.
- Exploration and developments risks – whilst the Company has already discovered a number of resources on the Yangibana and Brockman projects, the Company may fail to discover additional mineral deposits. The Company employs geologists and other technical specialists, and engages external consultants where appropriate to address this risk.
- Commodity price risk – as a Company which is focused on the exploration of rare earth oxides, notably neodymium, praseodymium, dysprosium and europium, it is exposed to movements in the price of these commodities. The Company monitors historical and forecast price information from a range of sources to support its planning and decision making.

DIRECTORS' REPORT (continued)

Environmental legislation

The consolidated entity is subject to significant environmental and monitoring requirements in respect of its natural resources exploration and development activities.

The directors are not aware of any significant breaches of these requirements during the period.

Indemnification and insurance of Directors and Officers

The consolidated entity has agreed to indemnify all the directors of the consolidated entity for any liabilities to another person (other than the consolidated entity or related body corporate) that may arise from their position as directors of the consolidated entity, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the consolidated entity paid a premium of $9,613 in respect of a contract insuring the directors and officers of the consolidated entity against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001.

Remuneration report (Audited)

This report outlines the remuneration arrangements in place for key management personnel of Hastings Technology Metals Ltd for the financial year ended 30 June 2017.

The following persons acted as key management personnel during the financial year:

Mr Charles Lew (Executive Chairman)
Mr Anthony Ho (Non-Executive Director)
Mr Malcolm Mason (Non-Executive Director)
Mr Jean Claude Steinmetz (Non-Executive Director)
Mr Charles Tan (Chief Operating Officer)
Mr Andy Border (General Manager Exploration)

Remuneration philosophy

The performance of the company depends upon the quality of the directors and executives. The philosophy of the company in determining remuneration levels is to:
- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration

Non-executive directors committee

The Remuneration Committee of the Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the directors and the senior management team.

The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of directors and senior executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

DIRECTORS' REPORT (continued)

Non-executive director remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The latest determination was at the Annual General Meeting held on 30 November 2010 when shareholders approved an aggregate remuneration of up to $250,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external shareholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each director receives a fee for being a director of the Company.

The remuneration of non-executive directors for the period ended 30 June 2017 is detailed in the Remuneration of directors and named executives section of this report on page 20.

Senior manager and executive director remuneration

Remuneration consists of fixed remuneration and Performance Rights to shares (as determined from time to time). In addition to Company employees and directors, the Company may contract key consultants on a contractual basis. These contracts stipulate the remuneration to be paid to the consultants.

Fixed Remuneration

Fixed remuneration is reviewed annually by the independent directors committee (which assumes the role of the Remuneration Committee). The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Committee has access to external, independent advice where necessary. Fixed remuneration is paid in the form of cash payments.

The fixed remuneration component of the key management personnel is detailed in Table 1.

All Directors have a letter of appointment. Remuneration of non-executive directors is set at $40,000 per annum and the Executive Chairman at $250,000 per annum. Non-executive director fees over and above $40,000 per annum are for additional consulting services. The Executive Chairman is paid director's fees of $70,000 per annum and has an employment contract providing for an annual remuneration of $180,000 which can be terminated by either party giving twelve months' notice. The Chief Operating Officer, Charles Tan, has an employment contract which can be terminated by either party giving three months' notice, and with gross remuneration of $200,000 per annum. The General Manager Exploration, Andy Border, has an employment contract which can be terminated by either party giving three months' notice, and with gross remuneration of $250,000 per annum.

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Technology Metals Limited

DIRECTORS' REPORT (continued)

Remuneration of key management and personnel

Table 1: Key management personnel remuneration for the year ended 30 June 2017

	Short-term employee benefits		Post-employment benefits	Equity		
	Salary & Fees $	Shares $	Superannuation $	Performance Rights[1] $	Total $	% Performance Related
Mr Charles Lew	250,000	-	-	75,833	325,833	23
Mr Anthony Ho	55,000	-	-	18,958	73,958	26
Mr Jean Claude Steinmetz	87,408	-	-	18,958	106,366	18
Mr Charles Tan	213,494	-	18,596	24,750	256,840	10
Mr Andy Border	228,311	-	21,690	6,750	256,751	3
Mr Malcolm Mason[2]	26,667	-	-	-	26,667	-
Total	860,880	-	40,286	145,249	1,046,415	14

[1]Performance rights have been granted and valued, however vesting is subject to performance hurdles.

[2]Resigned 3 March 2017

Table 2: Key management personnel remuneration for the year ended 30 June 2016

	Short-term employee benefits		Post-employment benefits	Equity		
	Salary & Fees $	Shares $	Superannuation $	Performance Rights[1] $	Total $	% Performance Related
Mr Charles Lew	198,996	17,500	-	107,813	324,309	33
Mr Anthony Ho	55,000	-	-	43,125	98,125	44
Mr Malcolm Mason	130,525	10,000	-	43,125	183,650	25
Mr Charles Tan	125,182	-	11,849	18,000	155,031	12
Mr Andy Border	228,311	-	21,690	8,650	258,650	3
Total	738,014	27,500	33,539	220,713	1,019,765	22

[1]Performance rights have been granted and valued, however vesting is subject to performance hurdles.

Shareholders at the 2016 Annual General Meeting approved the grant of 15,000,000 performance rights to Directors. The performance rights were valued by 22 Corporate Advisory Pty Limited, at 3.9 cents a share being the share price on grant date discounted for lack of marketability. Vesting occurs at the end of the performance period ended 28 November 2019, if the following performance conditions are met:

Non-market based performance conditions:

- regulatory approval of Mining Proposal Plan with Mine Closure;
- achieving additional financing of debt and equity totalling $100 million; and
- award of the construction contract for the beneficiation plant.

DIRECTORS' REPORT (continued)

Market-based performance conditions:

- 25% of the performance rights will vest when market capitalisation exceeds $75 million; and
- 50% of the performance rights will vest when market capitalisation exceeds $125 million; and
- 100% of the performance rights will vest when market capitalisation exceeds $175 million.

During the year ended 30 June 2017, 1,850,000 performance rights were granted to Employees. The performance rights were valued at 8.8 cents a share being the share price on grant date. Vesting occurs at the end of the performance periods, 30 June 2018 and 30 June 2019.

Non-market based performance conditions comprise key objectives specific to each employee.

Shareholdings of Key Management Personnel

30 June 2017	Balance at beginning of period Ord	Purchased Ord	On Vesting of Performance Rights Ord	Other Ord	Balance at end of period Ord
Mr Charles Lew[1]	89,326,710	7,174,418	2,500,000	(7,504,235)	91,496,893
Mr Anthony Ho	3,170,000	330,780	1,000,000		4,500,780
Mr Jean Claude Steinmetz	-	-	-	-	-
Mr Charles Tan	250,000	29,069	-	-	279,069
Mr Andy Border	500,000	29,069	-		529,069
Mr Malcolm Mason[2]	5,283,993	-	1,000,000	(6,283,993)	-
Total	**98,530,703**	**7,563,336**	**4,500,000**	**(13,788,228)**	**96,805,811**

[1]Restructure of family company removed 7,504,235 shares from director's control
[2]Director resigned 3 March 2017

Performance rights held by Directors and senior management

No options were issued during the year ended 30 June 2017 and no options are held by key management personnel at year end. No options were held by key management personnel at the end of the previous financial year.

The following performance rights are on issue and are subject to the Company achieving certain milestones.

	Number	Performance period
Mr Charles Lew	10,000,000	28 November 2019
Mr Anthony Ho	2,500,000	28 November 2019
Mr Jean Claude Steinmetz	2,500,000	28 November 2019
Mr Guy Robertson	300,000	30 June 2019
Mr Andrew Border	300,000	30 June 2019
Mr Charles Tan	250,000 & 300,000	30 June 2018 & 30 June 2019

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Technology Metals Limited

DIRECTORS' REPORT (continued)

Performance Rights

30 June 2017	Balance at beginning of period	Vested During Period	Granted as remuneration	Lapsed	Balance at end of period
Mr Charles Lew	2,500,000	(2,500,000)	10,000,000	-	10,000,000
Mr Anthony Ho	1,000,000	(1,000,000)	2,500,000	-	2,500,000
Mr Jean Claude Steinmetz	-	-	2,500,000	-	2,500,000
Mr Charles Tan	750,000	-	300,000	(500,000)	550,000
Mr Andy Border	-	-	300,000	-	300,000
Mr Malcolm Mason	1,000,000	(1,000,000)	-	-	-
Total	**5,250,000**	**(4,500,000)**	**15,600,000**	**(500,000)**	**15,850,000**

The value of performance rights at grant date is as follows:

30 June 2017	Number granted	Grant date	Value per performance right at grant date	$ Value of performance right at grant date
Mr Charles Lew	10,000,000	13/2/17	3.9 cents	390,000
Mr Anthony Ho	2,500,000	13/2/17	3.9 cents	97,500
Mr Jean Claude Steinmetz	2,500,000	13/2/17	3.9 cents	97,500
Mr Charles Tan	300,000	29/6/17	8.8 cents	26,400
Mr Andy Border	300,000	29/6/17	8.8 cents	26,400
Mr Malcolm Mason	-	-	-	-
Total	**15,600,000**			**637,800**

Related Party Transactions

	2017 $	2016 $
Office and administration costs[1]	74,346	65,766

[1]Office and administration costs were paid to Equator Capital Pte Limited, a company in which Mr Charles Lew has an interest. Of this amount $8,503 remains payable at 30 June 2017.

End of audited remuneration report.

Directors' Meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director was as follows:

	Director Meetings		Audit Committee		Remuneration Committee	
Director	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend
Mr Charles Lew	10	10	2	2	1	1
Mr Anthony Ho	10	10	2	2	1	1
Mr Jean Claude Steinmetz	9	9	2	2	1	1
Mr Malcolm Mason	7	7	-	-	-	-

In addition, 4 circular resolutions were signed by the board during the period.

Auditor's Independence and Non-Audit Services

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 34 and forms part of this directors' report for the year ended 30 June 2017.

Non-Audit Services

No non-audit services were provided by the Company's auditor during the year.

Signed in accordance with a resolution of the directors.

Charles Lew
Executive Chairman
28 September 2017

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Hastings Technology Metals Ltd is responsible for the corporate governance of the Group.

Hastings Technology Metals Ltd ("**Hastings**"), through its board and executives, recognizes the need to establish and maintain corporate governance policies and practices that reflect the requirements of the market regulators and participants, and the expectations of members and others who deal with Hastings. These policies and practices remain under constant review as the corporate governance environment and good practices evolve.

ASX Corporate Governance Principles and Recommendations

The third edition of ASX Corporate Governance Council Principles and Recommendations (the "Principles") sets out recommended corporate governance practices for entities listed on the ASX.

The Company has issued a Corporate Governance Statement which discloses the Company's corporate governance practices and the extent to which the Company has followed the recommendations set out in the Principles. The Corporate Governance Statement was approved by the Board on 28 September 2017 and is available on the Company's website: http://hastingstechmetals.com.au/corporate-governance

AUDITOR'S INDEPENDENCE DECLARATION

I, Lucio Di Giallonardo, as lead auditor for the audit of the consolidated financial report of Hastings Technology Metals Limited for the year ended 30 June 2017, declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia	**L Di Giallonardo**
28 September 2017	**Partner**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Notes	Consolidated 2017 $	Consolidated 2016 $
Continuing operations			
Revenue	2	196,732	162,814
Administration expenses		(268,614)	(244,876)
Directors fees		(354,071)	(277,329)
Occupancy expenses		(141,670)	(84,722)
Employee benefits expense		(429,387)	(168,264)
Marketing costs		(112,216)	(31,279)
Legal fees		(8,473)	(7,617)
Consulting and professional fees		(135,173)	(153,257)
Travel expenses		(98,107)	(175,708)
Share based payments		(172,450)	(231,594)
Loss before income tax expense		(1,523,429)	(1,211,832)
Income tax benefit	3	1,513,914	934,702
Net loss for the period		(9,515)	(277,130)
Other comprehensive income		-	-
Total comprehensive loss for the period		**(9,515)**	**(277,130)**
Basic loss per share (cents per share)	4	(0.00)	(0.07)

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Notes	Consolidated 2017 $	Consolidated 2016 $
Assets			
Current Assets			
Cash and cash equivalents	6	4,295,506	2,036,540
Trade and other receivables	8	433,179	1,022,927
Investments	9	-	8,500,000
Total Current Assets		4,728,685	11,559,467
Non-Current Assets			
Plant and equipment	10	25,380	16,707
Deferred exploration expenditure	11	40,595,235	27,202,412
Total Non-Current Assets		40,620,615	27,219,119
Total Assets		45,349,300	38,778,586
Liabilities			
Current Liabilities			
Trade and other payables	12	3,333,506	1,534,977
Total Current Liabilities		3,333,506	1,534,977
Total Liabilities		3,333,506	1,534,977
Net Assets		**42,015,794**	**37,243,609**
Equity			
Issued capital	13	48,811,141	43,997,047
Reserves	13	190,449	898,205
Accumulated losses		(6,985,796)	(7,651,643)
Total Equity		**42,015,794**	**37,243,609**

The accompanying notes form part of these financial statements

HASTINGS Technology Metals Limited

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

Consolidated	Issued Capital $	Accumulated Losses $	Share Based Payment Reserve $	Total $
Balance at 1 July 2016	43,997,047	(7,651,643)	898,205	37,243,609
Loss for the year	-	(9,515)	-	(9,515)
Total comprehensive loss for the year	-	(9,515)	-	(9,515)
Shares issued during the year	4,959,844	-	(204,844)	4,755,000
Transaction costs on share issue	(145,750)	-	-	(145,750)
Share based payments	-	-	172,450	172,450
Transfer from share based payments	-	675,362	(675,362)	-
Balance at 30 June 2017	48,811,141	(6,985,796)	190,449	42,015,794
Balance at 1 July 2015	35,417,397	(7,374,513)	695,261	28,738,145
Loss for the year	-	(277,130)	-	(277,130)
Total comprehensive loss for the year	-	(277,130)	-	(277,130)
Shares issued during the year	8,927,500	-	-	8,927,500
Transaction costs on share issue	(376,500)	-	-	(376,500)
Share based payments	-	-	231,594	231,594
Transfer from share based payments	28,650	-	(28,650)	-
Balance at 30 June 2016	43,997,047	(7,651,643)	898,205	37,243,609

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	Consolidated 2017 $	2016 $
		Inflows/(Outflows)	
Cash flows from operating activities			
Payments to suppliers and employees		(1,289,068)	(993,429)
Research and development tax rebate received		2,312,138	136,478
Interest received		241,212	177,913
Net cash provided by/(used) in operating activities	7	1,264,282	(679,038)
Cash flows from investing activities			
Payments for acquisition of tenements and prospects		-	(200,000)
Payments for exploration and evaluation expenditure		(12,132,767)	(5,237,366)
Payments for investments in term deposits		(11,500,000)	(11,500,000)
Receipts from redemption of investments in term deposits		20,000,000	3,000,000
Payments for plant and equipment		(16,799)	(10,209)
Net cash used in investing activities		(3,649,566)	(13,947,575)
Cash flows from financing activities			
Proceeds from issue of shares		4,755,000	8,900,000
Payments for share issue costs		(145,750)	(376,500)
Advance from shareholder		535,000	500,000
Repayment of advance		(500,000)	-
Net cash provided by financing activities		4,644,250	9,023,500
Net (decrease)/increase in cash held		2,258,966	(5,603,113)
Cash and cash equivalents at the beginning of the period		2,036,540	7,639,653
Cash and cash equivalents at the end of the period	6	4,295,506	2,036,540

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated. The financial statements are for the consolidated entity consisting of Hastings Technology Metals Ltd and its subsidiaries.

The financial report has also been prepared on a historical cost basis. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars.

The Group is a listed public company, incorporated and operating in Australia. The entity's principal activity is exploration for natural resources.

(b) Adoption of new and revised standards

Changes in accounting policies on initial application of Accounting Standards

In the year ended 30 June 2017, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

It has been determined by the Directors of the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2017. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

(c) Statement of Compliance

The financial report was authorised for issue on 28 September 2017.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of subsidiaries of Hastings Technology Metals Ltd ('company' or 'parent entity') as at 30 June 2017 and the results of subsidiaries for the year then ended. Hastings Technology Metals Ltd and its subsidiaries are referred to in this financial report as the Group or the Consolidated Entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(e) Critical accounting judgements and key sources of estimation uncertainty

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Deferred Exploration expenditure:

The Directors continually assess the Group's exploration projects to determine the existence of any indications of impairment on an area or interest basis. Where any such indications are present, an impairment assessment is conducted under AASB 136 and any resulting impairment is expensed to profit and loss. During the current financial year, no impairment expense (2016-$Nil) was recognised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Critical accounting judgements and key sources of estimation uncertainty (continued)

Share-based payment transactions:

The Group measures the cost of equity-settled transactions by reference to the fair value of the services provided. Where the services provided cannot be reliably estimated fair value is measure by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black and Scholes model using the assumptions detailed in Note 13.

(f) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(g) Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(h) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents exclude term deposits with banks which mature beyond three months.

(i) Trade and other receivables

Trade receivables are measured on initial recognition at fair value. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(j) Derecognition of financial assets and financial liabilities

(i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial assets and financial liabilities (continued)

- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either:

  (a) has transferred substantially all the risks and rewards of the asset, or
  (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
  (c) has transferred substantially all the risks and rewards of the asset, or
  (d) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Group could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

(ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(k) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(l) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other taxes (continued)

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(m) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(n) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the reporting period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(o) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions (continued)

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(p) Share-based payment transactions

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Hastings Technology Metals Ltd (market conditions) if applicable.

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The profit or loss charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

(q) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Earnings per share

Basic earnings per share is calculated as net profit/loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit/loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(s) Exploration and evaluation

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

(a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or

(b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

A decision to proceed with development in respect of a particular area of interest is determined with reference to when the commercial viability and technical feasibility are demonstrated. Once a decision to proceed has occurred, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Parent entity financial information

The financial information for the parent entity, Hastings Technology Metals Ltd, disclosed in Note 23 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint venture entities

Investment in subsidiaries are accounted for at cost in the financial statements of Hastings Technology Metals Ltd.

(ii) Share-based payments

Where relevant the grant by the company of options or performance rights over its equity instruments to the employees of subsidiary undertakings in the group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

(u) Interest in a joint operation

The Group has an interest in a joint venture that is a joint operation. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. A joint operation involves use of assets and other resources of the venturers rather than establishment of a separate entity. The Group recognises its interest in the joint operation by recognising the assets that it controls and the liabilities that it incurs. The Group also recognises the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the joint operation.

(v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Hastings Technology Metals Ltd.

NOTE 2: REVENUE

	Consolidated	
	2017 $	2016 $
Revenue		
Interest income	196,732	162,814
	196,732	162,814

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 3: INCOME TAX

	Consolidated 2017 $	Consolidated 2016 $
(a) Income tax recognized in the statement of comprehensive income		
Loss from ordinary activities	(1,523,429)	(1,211,832)
Income tax using the Company's domestic tax rate of 27.5% (2016:28.5%)	(418,943)	(345,372)
Share based payments	47,424	69,478
Refundable R&D tax offset	1,513,914	934,702
Other current year movement in deferred tax assets and deferred tax liabilities not recognised	371,519	658,808
Income tax benefit reported in the consolidated statement of comprehensive income	1,513,914	934,702
(b) Unrecognised deferred tax balances		
Deferred tax assets comprise:		
Tax losses carried forward	8,612,471	5,298,159
Accrued expenses	24,397	39,835
Share issue costs	228,207	225,912
	8,865,075	5,563,906
Deferred tax liabilities comprise:		
Accrued income	(38,750)	(36,476)
Capitalised exploration costs	(8,015,046)	(4,725,840)
	(8,053,796)	(4,762,316)
(c) Income tax expense not brought to account in equity during the year		
Share issue costs	(40,081)	(112,950)
	(40,081)	(112,950)

(d) Tax losses

The net tax benefit at 27.5%(2016 : 28.5%) of estimated unused tax losses of $8,612,471 (2016: $5,298,159) after deducting the deferred tax liabilities noted above of $8,053,796 (2016: $4,762,316) has not been recognised as a deferred tax asset as the future recovery of these losses is subject to the Company satisfying the requirements imposed by the relevant regulatory authorities in each of the jurisdictions in which the Company operates.

The benefit of deferred tax assets not brought to account will only be brought to account if:

- Future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised; and
- The conditions for deductibility imposed by the relevant tax legislation continue to be complied with and no changes in tax legislation adversely affect the Company in realising the benefit.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 4: EARNINGS PER SHARE

	2017 Cents per share	2016 Cents per share
Basic loss per share:		
Continuing operations	(0.00)	(0.07)
Discontinued operations	-	-
Total basic loss per share	(0.00)	(0.07)

(i) Loss used in the calculation of total basic loss per share reconciles to net loss in the statement of comprehensive income as follows:		
Loss used in the calculation of basic loss per share	(9,515)	(277,130)
Loss for the period from discontinued operation	-	-
Loss used in the calculation of basic loss per share from continuing operations	(9,515)	(277,130)

	Number of shares	
Basic loss per share		
The earnings and weighted average number of ordinary shares used in the calculation of basic loss per share is as follows:	507,382,666	402,115,250

There are no potential ordinary shares that are considered dilutive, as a result no dilutive loss per share has been disclosed.

NOTE 5: SEGMENT REPORTING

Identification of reportable segments

The group has identified its operating segments based on the internal reports that are reviewed and used by the Board in assessing performance and in determining the allocation of resources.

The operating segments are identified by the Board based on the nature of its interests and projects. Discrete financial information about each of these projects is reported to the executive management team on at least a monthly basis.

Location of interests and nature of projects

Yangibana Project

Hastings has the Yangibana rare earths project in the Gascoyne region of Western Australia through the ownership 100% of fourteen (14) tenements and two mining leases and through a joint venture comprising six (6) granted Exploration Licences and one mining lease, in all covering an area of approximately 650 square kilometres

Brockman Project

Hastings is the owner of the Brockman heavy rare earths project, comprising of ten (10) wholly owned prospecting licenses, and one wholly owned exploration licence, in the East Kimberley region of Western Australia. The project hosts significant JORC compliant resources of the rare metals zircon, niobium and tantalum, and the heavy rare earth yttrium.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 5: SEGMENT REPORTING (continued)

Accounting policies and inter-segment transactions

The accounting policies used by the Group in reporting segments internally are the same as those contained in Note 1 to the accounts and in the prior period.

Project segments

	Brockman Project $	Yangibana Project $	Administration Costs $	Unallocated $	Total $
30 June 2017					
Revenue					
Interest and other income	-	-	-	196,732	196,732
Total segment revenue	-	-	-	196,732	196,732
Expenses					
Exploration expenditure written off	-	-	-	-	-
Administration	-	-	(1,720,161)	-	(1,720,161)
Total segment expenses	-	-	(1,720,161)	-	(1,720,161)
Income tax benefit	-	-	-	1,513,914	1,513,914
Segment result	-	-	(1,720,161)	1,710,646	(9,515)
Cash flows from operating activities	-	-	(1,289,068)	2,553,350	1,264,282
Cash flows from investing activities	(157,277)	(11,975,490)	(16,799)	8,500,000	(3,649,566)
Cash flows from financing activities	-	-	-	4,644,250	4,644,250
Segment assets	15,118,695	25,476,540	-	4,754,065	45,349,300
Segment liabilities	-	-	-	3,333,506	3,333,506
Acquisition of exploration assets	157,277	13,235,546	-	-	13,392,823

Interest income of $196,732 was solely derived within Australia, and non-current assets are all located in Australia.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 5: SEGMENT REPORTING (continued)

Project segments

	Brockman Project $	Yangibana Project $	Administration Costs $	Unallocated $	Total $
30 June 2016					
Revenue					
Interest and other income	-	-	-	162,814	162,814
Total segment revenue	-	-	-	162,814	162,814
Expenses					
Exploration expenditure written off	-	-	-	-	-
Administration	-	-	(1,374,646)	-	(1,374,646)
Total segment expenses	-	-	(1,374,646)	-	(1,374,646)
Income tax benefit	-	-	-	934,702	934,702
Segment result	-	-	(1,374,646)	1,097,516	(277,130)
Cash flows from operating activities	-	-	(993,429)	314,391	(679,038)
Cash flows from investing activities	(103,043)	(5,334,323)	(10,209)	(8,500,000)	(13,947,575)
Cash flows from financing activities	-	-	-	9,023,500	9,023,500
Segment assets	14,961,418	12,240,994	-	11,576,634	38,778,586
Segment liabilities	-	-	-	1,534,977	1,534,977
Acquisition of exploration assets	103,043	5,334,323	-	-	5,437,366

Interest income of $162,814 was derived within Australia, and non-current assets are all located in Australia.

NOTE 6: CASH AND CASH EQUIVALENTS

	2017 $	2016 $
Cash at bank and on hand	3,795,506	1,536,540
Short-term deposits	500,000	500,000
	4,295,506	2,036,540

Cash at bank earns interest at floating rates based on daily bank deposit rates.

HASTINGS Technology Metals Limited

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Short term deposits maturing after three months are shown as investments.

The Group did not engage in any non-cash financing activities for the period ending 30 June 2017 and was not party to any borrowing facilities during the same period

NOTE 7: RECONCILIATION OF LOSS FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2017 $	2016 $
(Loss) for the year	(9,515)	(277,130)
Other non cash items:		
Share based payments expense	172,450	231,594
Depreciation	8,126	4,952
Directors fees settled by shares	-	27,500
Changes in working capital		
Decrease/(Increase) in trade and other receivables	589,748	(815,581)
Increase in trade and other payables	503,473	149,627
Net cash used in operating activities	1,264,282	(679,038)

NOTE 8: TRADE AND OTHER RECEIVABLES

	2017 $	2016 $
Prepayments	10,011	4,334
GST recoverable	421,562	174,282
Research and development tax offset	-	798,224
Interest receivable	1,606	46,087
Trade and other receivables	433,179	1,022,927

No receivables are impaired or past due but not impaired.

NOTE 9: INVESTMENTS

	2017 $	2016 $
Term Deposits	-	8,500,000
	-	8,500,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 10: PLANT AND EQUIPMENT

	2017 $	2016 $
Plant and equipment		
At cost		
Opening balance	24,598	14,389
Additions	16,799	10,209
Disposals	-	-
Closing balance	**41,397**	**24,598**
Depreciation		
Opening balance	(7,891)	(2,939)
Charge for the year	(8,126)	(4,952)
Disposals	-	-
Closing balance	**(16,017)**	**(7,891)**
	25,380	**16,707**

NOTE 11: DEFERRED EXPLORATION EXPENDITURE

	2017 $	2016 $
Costs carried forward in respect of areas of interest in the following phases:		
Exploration and evaluation phase – at cost		
Balance at beginning of year	27,202,412	21,765,046
Exploration expenditure	13,392,823	5,237,366
Purchase of prospects – Yangibana tenements	-	200,000
Total deferred exploration and evaluation expenditure	**40,595,235**	**27,202,412**

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

NOTE 12: TRADE AND OTHER PAYABLES

	2017 $	2016 $
Trade payables [1]	2,798,506	1,034,977
Advance from shareholder[2]	535,000	500,000
	3,333,506	**1,534,977**

[1]Trade payables are non-interest bearing and are normally settled on 60-day terms.

[2]The advance from shareholder, a related party, is to be converted to equity following approval by shareholders at a meeting to be held on 29 September 2017. The advance is not interest bearing.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 13: ISSUED CAPITAL

	2017 $	2016 $
Ordinary shares		
At 1 July	43,997,047	35,417,397
Shares issued during the year	3,675,000	8,900,000
Options exercised during the year	1,080,000	-
Shares issued to settle directors fees	-	27,500
Shares issued on vesting of performance rights	204,844	28,650
Less share issue costs	(145,750)	(376,500)
At 30 June	**48,811,141**	**43,997,047**

Movements in ordinary shares on issue	No.	No.
At 1 July	473,816,913	383,959,771
Movements during the period		
Shares issued to settle directors fees	-	357,142
Shares issued on vesting of performance rights	4,750,000	500,000
Shares issued on exercise of options	18,000,000	-
Shares issued during the year	35,592,991	89,000,000
At 30 June	**532,159,904**	**473,816,913**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up the company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Company options
Company options carry no voting rights and carry no right to dividends

Share based payments reserve Movements in share based payments reserve were as follows:	2017 $	2016 $
Balance 1 July	898,205	695,261
Options exercised during the year - unlisted	-	(28,650)
Performance rights vested – transferred to issued capital	(204,844)	-
Performance rights lapsed – transferred to accumulated losses	(204,844)	-
Options exercised – transferred to issued capital	(470,518)	-
Value of performance rights issued during the year	172,450	231,594
Balance 30 June	190,449	898,205

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Share based payments reserve

This reserve is used to record the value of equity benefits provided to employees and remuneration.

	2017 No.	2016 No.
Movements in share options		
At 1 July	18,000,000	18,000,000
Options exercised	(18,000,000)	-
At 30 June	-	18,000,000

	2017 No.	2016 No.
Movements in performance rights		
At 1 July	10,250,000	10,000,000
Performance rights issued during the year	16,850,000	750,000
Performance rights vested during the year	(4,750,000)	(500,000)
Performance rights lapsed during the year	(4,750,000)	-
At 30 June	17,600,000	10,250,000

The Company has no options outstanding as at 30 June 2017.

The following table illustrates the number (No.) and weighted average exercise prices of and movements in share options during the year:

	No. 2017	Weighted average exercise price 2017 $	No. 2016	Weighted average exercise price 2016 $
Outstanding at the beginning of the year	18,000,000	$0.06	18,000,000	$0.06
Exercised during the year	(18,000,000)	-	-	-
Outstanding at the end of the year	-	$0.06	18,000,000	$0.06
Exercisable at the end of the year	-	-	18,000,000	-

The share options outstanding at the end of 2016 had a weighted average exercise price of $0.06 and weighted average remaining contractual life of 0.42 years. The weighted average fair value of options granted during the year was $Nil (2016: $Nil).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 13: ISSUED CAPITAL (continued)

The following share-based payment arrangements (options) are in place during the current and prior periods:

	Number	Grant/Issue Date	Expiry Date	Exercise Price $	Fair value at grant date $	Listed/ Unlisted
Series 1	18,000,000	12 February 2014	30 November 2016	$0.06	522,796	Unlisted

The fair value of the equity-settled unlisted share options granted is estimated as at the date of grant using the Black and Sholes model taking into account the terms and conditions upon which the options were granted.

	Series 1
Expected volatility (%)	80%
Risk-free interest free (%)	4.0%
Expected life of option (years)	2.79
Exercise price ($)	$0.06
Grant date share price	$0.053

The expected life of the options is a based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

Valuation of performance rights

i. Shareholders at the 2016 Annual General Meeting approved the grant of 15,000,000 performance rights to Directors. The performance rights were valued by 22 Corporate Advisory Pty Limited, at 3.9 cents a share being the share price on grant date discounted for lack of marketability. Vesting occurs at the end of the performance period ended 28 November 2019, if the following performance conditions are met:

   Non-market based performance conditions:

   - regulatory approval of Mining Proposal Plan with Mine Closure;
   - achieving additional financing of debt and equity totalling $100 million; and
   - award of the construction contract for the beneficiation plant.

   Market-based performance conditions:

   - 25% of the performance rights will vest when market capitalisation exceeds $75 million; and
   - 50% of the performance rights will vest when market capitalisation exceeds $125 million; and
   - 100% of the performance rights will vest when market capitalisation exceeds $175 million.

   An expense of $113,750 was recognised for the year ended 30 June 2017 in relation to these performance rights.

   In respect of the performance rights for the performance period ended 30 June 2016, 50% vested and the Company issued 4,750,000 shares on 5 September 2016. The balance of these performance rights lapsed.

ii. During the year ended 30 June 2017, 1,850,000 performance rights were granted to Employees. The performance rights were valued at 8.8 cents a share being the share price on grant date. Vesting occurs at the end of the performance periods, 30 June 2018 and 30 June 2019.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 13: ISSUED CAPITAL (continued)

Non-market based performance conditions comprise key objectives specific to each employee.

An expense of $40,700 was recognised for the year ended 30 June 2017 in relation to these performance rights.

An expense of $18,000 was recognised for the year ended 30 June 2017 in relation to performance rights previously issued.

NOTE 14: FINANCIAL INSTRUMENTS

	2017 $	2016 $
Financial assets		
Receivables	433,179	1,022,927
Cash and cash equivalents	4,295,506	2,036,540
Investments	-	8,500,000
	4,728,685	11,559,467
Financial Liabilities		
Trade and other payables	2,798,506	1,034,977
	2,798,506	1,034,977

The following table details the expected maturity for the Group's non-derivative financial assets. These have been drawn up based on undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group anticipates that the cash flow will occur in a different period.

	Weighted average effective interest rate %	Less than 1 month $	1 – 3 Months $	3 months – 1 year $	1 – 5 years $	5+ years $
2017						
Non-interest bearing		-	-	-	-	-
Variable interest rate instruments		3,795,506	-	-	-	-
Fixed interest rate instruments	1.7%	500,000			-	-
		4,295,506			-	-
2016						
Non-interest bearing		-	-	-	-	-
Variable interest rate instruments		1,536,340	-	-	-	-
Fixed interest rate instruments	2% - 2.91%	500,000	4,000,000	4,500,000	-	-
		2,036,340	4,000,000	4,500,000	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 15: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has exposure to the following risks from their use of financial instruments

- Credit risk
- Liquidity risk
- Market risk

This note presents the information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing each of these risks as summarised below.

The Group's principal financial instruments comprise cash and short term deposits. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the Group. The Group also has other financial instruments such as trade debtors and creditors which arise directly from its operations. For the year ended 30 June 2016, it has been the Group's policy to trade certain financial instruments.

The Directors consider that the carrying value of the financial assets and financial liabilities recognised in the financial statements approximate their fair values.

(a) Credit risk management

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial Ioss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses publicly available financial information and its own trading record to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

(b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group did not have any undrawn facilities at its disposal as at balance date.

(c) Interest rate risk management

The Group is exposed to interest rate risk as the Group deposits the bulk of the Group's cash reserves in Term Deposits with Westpac. The risk is managed by the Group by maintaining an appropriate mix between short term and medium-term deposits. The Group's exposure to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

NOTE 15: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

At 30 June 2017, there would not be any material effect on loss and equity as a result of changes in the interest rate, with all other variables remaining constant.

(d) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Group's income or value of the holdings of financial instruments. The Group is exposed to movements in market interest rates on short term deposit. The policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The Group does not have short or long term debt, and therefore this risk is minimal. The Group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have acceptable credit ratings.

NOTE 16: COMMITMENTS AND CONTINGENCIES

Remuneration Commitments

The Group has a contract with the Executive Chairman with remuneration of $180,000 (excluding directors fees of $70,000) which can be terminated by either party by giving 12 months' notice. The Company entered into an employment contract for services with the General Manager Exploration in January 2014 and the Chief Operating Officer in September 2015. The contracts are subject to three months' notice. Other employees have contracts with a notice period of one month. The Group also employs consultants who are contracted under standard consultancy rates. There were no other remuneration commitments made.

Guarantees

Hastings Technology Metals Ltd has no outstanding guarantees of any form as at 30 June 2017.

Western Australian Projects

The Group has minimum expenditure commitments on its beneficially owned Western Australian granted tenements. A list of tenements is outlined below.

The consolidated group currently has commitments for expenditure as at 30 June 2017 on its Australian exploration tenements as follows:

	2017 $	2016 $
Not later than 12 months	892,450	980,983
Between 12 months and 5 years	2,612,550	2,954,154
Greater than 5 years	7,030,792	7,520,992
	10,535,792	11,456,129

NOTE 17: DIVIDENDS

The directors of the Group have not declared any dividend for the year ended 30 June 2017.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 18: CONTINGENT LIABILITIES

There are no contingent liabilities at year end.

NOTE 19: EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to year end the Company raised $16.2 million with the issue of 81,125,000 shares at 20 cents per share.

Other than as outlined above there are no matters or circumstances that have arisen since the end of the financial period that have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or state of affairs of the consolidated entity in future financial years.

NOTE 20: AUDITOR'S REMUNERATION

The auditor of Hastings Technology Metals Ltd is HLB Mann Judd.

	2017 $	2016 $
Amounts received or due and receivable by HLB Mann Judd for:		
An audit or review of the financial reports	39,830	35,000
Taxation compliance and advisory	6,000	-
	45,830	35,000

NOTE 21: DIRECTORS AND EXECUTIVES DISCLOSURES

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report.

	2017 $	2016 $
Short term benefits	860,880	738,014
Post-employment benefits	40,286	33,539
Directors fees settled by shares	-	27,500
Performance rights	145,249	220,713
	1,046,415	1,019,765

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 22: RELATED PARTY DISCLOSURES

The consolidated financial statements include the financial statements of Hastings Technology Metals Ltd and the subsidiaries listed in the following table.

Name	Country of Incorporation	% Equity Interest 2017	% Equity Interest 2016	Investment ($) 2017	Investment ($) 2016
Brockman Project Holdings Pty Ltd	Australia	100%	100%	4,000,000	4,000,000
Gascoyne Metals Pty Ltd	Australia	100%	100%	2,050,000	2,050,000
Yangibana Pty Ltd (Note 24)	Australia	100%	100%	85,000	85,000
Hastings Technology Metals (Asia) Limited	Hong Kong	100%	100%	100	100

Hastings Technology Metals Ltd is the ultimate Australian parent entity and ultimate parent of the Group.

	2017 $	2016 $
Office rental and administration expenses[1]	74,346	65,766

[1]Office rental and administration expenses were paid to Equator Capital Pte Ltd, a company associated with the Chairman, Charles Lew. These fees are commensurate with those charged on an arm's length basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 23: PARENT ENTITY DISCLOSURES

	Company	
	2017	2016
	$	$
Assets		
Current assets	4,728,480	11,559,265
Non-current assets	40,569,100	27,167,604
Total assets	45,297,580	38,726,869
Liabilities		
Current liabilities	3,333,506	1,534,977
Non-current liabilities	-	-
Total liabilities	3,333,506	1,534,977
Net Assets	41,964,077	37,191,892
Equity		
Issued capital	48,811,141	43,997,047
Option reserve	190,449	898,204
Accumulated Losses	(7,037,516)	(7,703,359)
Total Equity	41,964,077	37,191,892
Financial performance		
Loss for the year	(9,515)	(277,127)
Other comprehensive income	-	-
Total comprehensive loss	(9,515)	(277,127)

Contingent liabilities of the parent entity

For details on contingent liabilities, see Note 18.

Commitments of the parent entity

The parent entity has tenement commitment obligations of $137,833 (2016 : $195,833) as at 30 June 2017.

The Company has three employees whose contracts can be terminated by either giving 12 months and 3 months' notice, and other employees whose contracts can be terminated with one months' notice.

NOTE 24: INTEREST IN JOINT OPERATION

The Group has a 70% interest in the Yangibana-REM joint venture (2016: 70%), which is involved in exploration, development and exploitation of rare metal resources in the Gascoyne region of Western Australia.

Refer to Note 16 for details on capital commitments and guarantees. There were no impairment losses in the jointly controlled operation.

DIRECTORS' DECLARATION

1. In the opinion of the directors of Hastings Technology Metals Ltd ('the Company or the Group''):

   a. The financial statements and notes thereto, as set out on pages 28 to 55, are in accordance with the Corporations Act 2001 including:

      i. giving a true and fair view of the Group's financial position as at 30 June 2017 and of the performance of the Group for the year then ended; and

      ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.

   b. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

   c. The financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2017.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

Charles Lew

Executive Chairman

28 September 2017

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of Hastings Technology Metals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Hastings Technology Metals Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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HLB Mann Judd (WA Partnership) is a member of HLB International, a world-wide organisation of accounting firms and business advisers

Key Audit Matter	How our audit addressed the key audit matter
Carrying amount of deferred exploration expenditure Note 1(s) of the financial report	
In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group capitalises all exploration and evaluation expenditure including acquisition costs, and subsequently applies the cost model after recognition. Our audit focussed on the Group's assessment of the carrying amount of the capitalised deferred exploration asset, as this is one of the most significant assets of the Group. We planned our work to address the audit risk that the capitalised expenditure might no longer meet the recognition criteria of the standard. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of the deferred exploration asset may exceed its recoverable amount.	Our procedures included but were not limited to the following: ▪ We obtained an understanding of the key processes associated with management's review of the carrying values of each area of interest; ▪ We considered the Directors' assessment of potential indicators of impairment; ▪ We obtained evidence that the Group has current rights to tenure of its areas of interest; ▪ We examined the exploration budget for the year ending 30 June 2018 and discussed with management the nature of planned ongoing activities; ▪ We enquired with management, reviewed ASX announcements and reviewed minutes of Directors' meetings to ensure that the Group had not resolved to discontinue exploration and evaluation at any of its areas of interest; and ▪ We examined the disclosures made in the financial report.
Share based payment expense Note 1(p) of the financial report	
The Group has recorded a material share based payment expense for the year ended 30 June 2017. This expense has arisen from the granting during the current year and previous years of performances rights to employees and directors of the Company. The valuation of these performance rights is subject to complex estimation techniques and significant judgement. A small change in assumptions can have a material impact on the financial report.	Our procedures included but were not limited to the following: ▪ We assessed the reasonableness of the assumptions used in the valuation of the share based payments expense as well as testing the accuracy of the calculations themselves; ▪ We agreed the terms of the share based payments to the actual performance rights agreements to ensure that the valuations were based on the terms of those agreements; and ▪ We checked the calculations made in determining the value of the share based payments.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2017.

In our opinion, the remuneration report of Hastings Technology Metals Limited for the year ended 30 June 2017 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

L Di Giallonardo
Partner

Perth, Western Australia
28 September 2017

ADDITIONAL SHAREHOLDER INFORMATION

A. Corporate Governance

A statement disclosing the extent to which the Company has followed the best practice recommendations set by the ASX Corporate Governance Council during the period is contained within the Director's Report.

B. Shareholding

1. Substantial Shareholders

The following substantial holders are listed on the Company's register as at 25 September 2017:

1	LEW FOON KEONG		91,322,475	13.73%
2	MUN KEE CHANG		41,191,979	6.19%

2. Number of holders in each class of equity securities and the voting rights attached (as at 25 September 2017)

Ordinary Shares

There are 1,099 holders of ordinary shares. Each shareholder is entitled to one vote per share held.

In accordance with the Company's Constitution, on a show of hands every number present in person or by proxy or attorney or duly authorized representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorized representative has one vote for every fully paid ordinary share held.

3. Distribution schedule of the number of holders in each class of equity security as at 25 September 2017.

a) Fully Paid Ordinary Shares

SPREAD OF HOLDINGS	HOLDERS	UNITS	% OF ISSUED CAPITAL
NIL Holding	0	0	0.00
1-1,000	43	4,447	0.00
1,001-5,000	120	474,938	0.07
5,001-10,000	242	1,898,332	0.29
10,001-100,000	498	18,542,922	2.80
Over 100,000	191	643,410,777	96.85
	1,094	665,131,416	100.00

There are 55 shareholders with less than a marketable parcel.

HASTINGS
Technology Metals Limited

ADDITIONAL SHAREHOLDER INFORMATION (Continued)

4. Twenty largest holders of each class of quoted equity security

The names of the twenty largest holders of each class of quoted security, the number of equity security each holds and the percentage of capital each holds (as at 25 September 2017) is as follows:

Ordinary Shares Top 20 holders and percentage held

Rank	Holder Name	Securities	%
1	HSBC CUSTODY NOM AUST LTD	156,488,355	23.57%
2	LEW FOON KEONG	78,113,491	11.76%
3	J P MORGAN NOM AUST LTD	73,895,458	11.13%
4	CITICORP NOM PL	59,170,775	8.91%
5	CHANG MUN KEE	22,513,683	3.39%
6	ASTAMAN ABDUL AZIZ	20,000,000	3.01%
7	THOONG CHONG WAI	20,000,000	3.01%
8	HSBC CUSTODY NOM AUST LTD	14,048,838	2.12%
9	PARAMOUNT STAR INV LTD	11,650,000	1.75%
10	LIN JUNE LEW LI + LEW L F	11,586,243	1.74%
11	HCL & SONS HLDGS SDN BHD	11,500,000	1.73%
12	LEE CHOON HUAT	10,455,320	1.57%
13	SKOPWANG PROP VENTURES SD	10,000,000	1.51%
14	HSBC CUSTODY NOM AUST LTD	9,748,780	1.47%
15	CHEW WENG CHEE	7,000,000	1.05%
16	BNP PARIBAS NOMS PL	6,243,762	0.94%
17	BNP PARIBAS NOM PL	4,428,269	0.67%
18	TONG HOW SENG	4,000,000	0.60%
19	HARKIN BILLY + AMANDA A	4,000,000	0.60%
20	GUEST JAMES VINCENT C	3,632,416	0.55%
		538,475,390	81.08%

ADDITIONAL SHAREHOLDER INFORMATION (Continued)

1. Company Secretary

The name of the Company secretary is Guy Robertson.

2. Address and contact details of the Company's registered office and principle place of business:

Level 5, 50 Clarence Street
Sydney NSW 2000 Australia
Telephone: (02) 8268 8689

3. Address and telephone details of the office at which a registry of securities is kept:

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

4. Stock exchange on which the Company's securities are quoted:

The Company's listed equity securities are quoted on the Australian Securities Exchange.

5. Restricted Securities

The Company does not have any restricted securities on issue.

6. Review of Operations

A review of operations is contained in the Directors' Report.