HASTINGS
Technology Metals Limited

27 October 2017

SEPTEMBER 2017 QUARTERLY REPORT

- **Variability testwork programs are progressing to identify the compatibility of the process flowsheet to minor mineralogical variations between deposits**
- **Testwork has confirmed that site water can be used in the beneficiation circuit without treatment**
- **Water recovered from beneficiation final product streams can be recycled back through the process without further treatment**
- **500 gram samples of Mixed Rare Earths Concentrate (MREC) sent to nine potential customers**
- **Three Memorandum of Understanding (MOU) for future offtake agreements signed with potential customers**
- **The Environmental Protection Authority (EPA) has approved an early works program to construct the access road and accommodation village**
- **Total JORC Resource increased to over 20.5 million tonnes**
- **First JORC Resources at Yangibana and Simon's Find Deposits (Hastings 100%)**
- **First JORC Measured Resources at Yangibana North (Hastings 70%)**
- **Capital raising completed for $16.25 million.**
- **Mr Aris Stamoulis and Mr Guy Robertson appointed to the Board**

YANGIBANA PROJECT

Metallurgy Progress

Metallurgical testwork has focused on a variability program and a post Hydrometallurgy pilot study completed during the 3rd quarter of 2017.

Variability testwork programs are to identify the compatibility of the process flowsheet to different minerals across the various deposits that include Ball Hill, Fraser's, Yangibana North and West, Yangibana, Simon's Find, Auer and Auer North. The variability program has also covered water testwork to investigate the effect on process performance with site water and recycling of process water.

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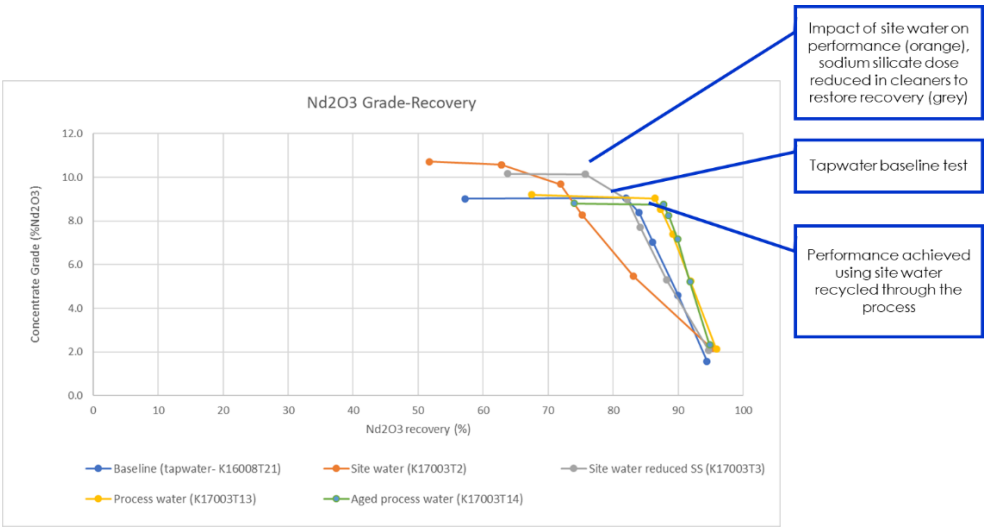
Test results for variability samples from Ball Hill and Frasers indicated that the DFS (Definitive Feasibility Study) process flowsheet is able to achieve acceptable process performance across these deposits.

Variability testwork has identified that apatite- or siderite-bearing mineralisation located in Yangibana North and West requires additional processes for upgrading of total rare earths oxides (TREO). Two new processes (pre-float before rougher flotation and pre-leach for beneficiated concentrate) have been successfully developed to achieve the desired results. Preliminary test results indicate that the TREO in concentrate produced from apatite- or siderite-bearing mineralisation can be further upgraded to an acceptable level. Further optimisation work on pre-float and pre-leach is progressing.

Variability testwork for Yangibana, Simon's Find, Auer and Auer North is underway.

Water testwork confirms that site water can be used in the beneficiation circuit without treatment and that water recovered from beneficiation final product streams can be recycled back through the process without further treatment / impurity removal.



A number of post-pilot studies, including Basic Kiln Modelling, Tailings Storage Facility (TSF) ASLP (Australian Standard Leaching Procedure) Testwork, Residue Classification Testwork, Filtration Testwork for Hydrometallurgy, Kiln Product (Calcine) Attritioning testwork, Acid Bake Sulphur Balance testwork, and the study of effect on the MREC property with flocculant recycling to precipitation, have been carried out to further optimise the process performance following pilot plant operations. The results have been incorporated into the plant design.

Additional test results show that the sulphate in the Mixed Rare Earth Carbonate (MREC) product can be further removed to meet the customer specifications with a new process developed by the technical team.

500 gram samples of MREC was sent to nine customers. Assays results from three of these customers compared well with ANSTO assays and are generally consistent, with the quality being considered acceptable to a third-party separation plant.

Commercial Progress

During the quarter the Company signed future offtake Memorandum of Understanding (MOU) with Qiandong Rare Earth Group, China Rare Earth Holdings Limited and Baotou Sky Rock Rare Earth.

The parties to these MOUs have undertaken to negotiate in good faith to reach agreement for a commercial offtake contract within 12 months from the date of the MOU.

The parties have additionally acknowledged that any commercial offtake agreement is contingent on Hastings starting operations and production of MREC from the Yangibana mine.

These three MOUs account for a total of 6,000 tonnes per annum.

Approvals and Permits

The Environmental Protection Authority (EPA) has approved an early works program to construct the access road and accommodation village. Hastings is in the process of submitting all required Approval applications to allow this program to start in Q1, 2018 after the wet season. This milestone is an exciting beginning to the construction phase of the Project.

Hastings continues to work closely with the Department of Mines, Industry Regulation and Safety (DMIRS) to complete the Approvals requirements in Western Australia, and continues on the work program in the EPA-approved Environmental Scoping Document.

Rare Earths Market Overview

Rare earths prices continued their recovery in the quarter from the lows of late 2016. Neodymium (Nd) and Praseodymium (Pr) increased by 47% and 44% respectively (based on F.O.B. China prices), driven higher by both anticipated future demand and the seemingly successful crackdown by Chinese authorities on illegal rare earths mining.

The Yangibana basket price (based on the Eastern Belt beneficiated concentrate) showed a 21.8% increase in the quarter, to a high of USD 33.50/kg at the end of September.

China further continued to fuel excitement around the announcement of electric vehicle targets. Chinese authorities hinted of policy changes in early September, with the intension of banning fossil-fuel vehicles. This follows on the heels of similar policy announcements made by India, Norway, France and the United Kingdom.

Vehicle manufacturers also made encouraging announcements regarding electric vehicles targets. Volkswagen will spend EUR 20 billion in R & D to develop electric vehicles. VW aims to roll out 80 EVs across all its brands by 2025.

In August, Tesla indicated that it will be shifting to use permanent magnets in the electric motor drive chain. Roskill, a commodity consulting firm, reported that "…documents released

by the U.S. Environmental Protection Agency (EPA) have indicated that the Model 3 RWD Long Range carline will use a 3 phase permanent magnet motor as the powertrain motor… the smaller size/weight, higher torque density and improved efficiency of permanent magnet motors compared to induction motors make them attractive for use in HEV and EVs, as they provide better acceleration, reduce vehicle weight and allow greater space for other components."

Given both policy and manufacturer announcements, the International Energy Agency predicts that by 2030 the stock of electric vehicles on the road globally will total between 160 to 200 million, an almost 100 times increase of the EV stock today. These developments will drive the robust support in demand for Nd and Pr well beyond 2030.

Further JORC Resource Increase

Based on results from its ongoing 2017 drilling programme, the Company announced a new JORC Resource Estimate undertaken by independent consultants Widenbar and Associates Pty Limited. The most significant increases were at new deposits, Yangibana and Simon's Find, (100% Hastings). The new Total JORC Resources for the Yangibana Project are shown in Table 1.

Category	Tonnes	$Nd_2O_3+Pr_6O_{11}$	TREO	Nd_2O_3	Pr_6O_{11}
		%	%	ppm	ppm
Measured	3,792,000	0.42	1.18	3,350	840
Indicated	8,240,000	0.43	1.27	3,410	870
Inferred	8,527,000	0.37	1.11	2,900	760
TOTAL	**20,559,000**	**0.40**	**1.18**	**3,190**	**820**

Table 1 – Yangibana Project, Total JORC Resources, September 2017

Of these resources, those within tenements held 100% by Hastings are as shown in Table 2 and those in which Hastings holds 70% are shown in Table 3.

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	780
Indicated	6,315,000	0.42	1.10	3,360	790
Inferred	6,075,000	0.36	0.95	2,920	700
TOTAL	**15,311,000**	**0.40**	**1.03**	**3,190**	**750**

Table 2 – Yangibana Project, JORC Resources, September 2017, 100% Hastings

Category	Tonnes	$Nd_2O_3+Pr_6O_{11}$	TREO	Nd_2O_3	Pr_6O_{11}
		%	%	ppm	ppm
Measured	871,000	0.45	1.64	3,260	1,000
Indicated	1,925,000	0.47	1.84	3,590	1,110
Inferred	2,453,000	0.38	1.49	2,850	900
TOTAL	**5,249,000**	**0.42**	**1.64**	**3,190**	**990**

Table 3 – Yangibana Project, JORC Resources, September 2017, 70% Hastings

The resource estimates for the new deposits, Yangibana and Simon's Find (included in Table 1 above) are shown in Tables 4 and 5 respectively.

Category	Tonnes	$Nd_2O_3+Pr_6O_{11}$	TREO	Nd_2O_3	Pr_6O_{11}
		%	%	ppm	ppm
Indicated	1,318,000	0.41	0.86	3,470	610
Inferred	851,000	0.39	0.81	3,280	570
TOTAL	**2,169,000**	**0.40**	**0.84**	**3,400**	**590**

Table 4 – Yangibana Project, Yangibana Deposit, September 2017 JORC Resources

Category	Tonnes	$Nd_2O_3+Pr_6O_{11}$	TREO	Nd_2O_3	Pr_6O_{11}
		%	%	ppm	ppm
Indicated	454,000	0.35	0.64	2,960	520
Inferred	855,000	0.35	0.67	2,950	530
TOTAL	**1,309,000**	**0.35**	**0.66**	**2,950**	**530**

Table 5 – Yangibana Project, Simon's Find Deposit, September 2017 JORC Resources

Based on infill drilling at Yangibana North Deposit, the first JORC Measured Resources were estimated for this joint venture deposit (Hastings 70%) as shown in Table 6.

Category	Tonnes	$Nd_2O_3+Pr_6O_{11}$	TREO	Nd_2O_3	Pr_6O_{11}
		%	%	ppm	ppm
Measured	871,000	0.43	1.64	3,260	1,000
Indicated	1,925,000	0.47	1.84	3,590	1,110
Inferred	632,000	0.47	1.85	3,550	1,110
TOTAL	**3,428,000**	**0.46**	**1.79**	**3,500**	**1,080**

Table 6 – Yangibana Project, Yangibana North Deposit, September 2017 JORC Resources

Drilling Results

During the quarter, the Company's 2017 resource expansion and infill drilling program concentrated on new targets at Yangibana and Simon's Find, a northern extension to Auer Deposit and infill drilling at Yangibana North.

Selected results from the reverse circulation (RC)drilling at Yangibana are shown in Table 7 and confirm the high $Nd_2O_3+Pr_6O_{11}$:TREO ratio identified in earlier rock chip sampling, with ratios of between 44% and 51%.

Hole No	From	To	Interval	%TREO	%Nd_2O_3+Pr_6O_{11}
YARC					
15	24	28	4	1.31	0.61
21	55	58	3	1.64	0.78
23	7	9	2	4.11	1.97
27	11	13	2	3.93	1.83
35	18	21	3	3.23	1.60
53	2	6	4	1.43	0.69
68	66	72	6	1.84	0.81
69	33	37	4	1.56	0.75
72	15	18	3	1.70	0.82
93	50	54	4	1.94	0.93
96	56	62	6	1.30	0.67

Table 7 – Yangibana Project, Yangibana Prospect 2017 Drilling, best results

Significant results from Simon's Find are shown in table 8, confirming that Simon's Find has the highest ratio of Nd_2O_3+Pr_6O_{11}:TREO of all deposits and prospects identified to date throughout the Yangibana Project, ranging from 52% to 57%.

Hole No	From	To	Interval	%TREO	%Nd_2O_3+Pr_2O_3
SFRC					
8	3	6	3	1.10	0.63
35	25	29	4	1.91	1.06
40	35	40	5	2.36	1.33
48	25	30	5	1.21	0.63

Table 8 – Yangibana Project, Simon's Find Prospect 2017 Drilling, best results

Infill drilling at Yangibana North returned the best intersections shown in Table 9.

Hole No	From	To	Interval	%TREO	%Nd_2O_3+Pr_2O_3
YGRC					
98	36	40	4	3.83	0.96
99	20	24	4	2.87	0.90
101	5	9	4	2.34	0.59
105	3	6	3	2.42	0.72
106	19	22	3	2.62	0.68

Table 9 – Yangibana Project, Yangibana North Deposit 2017 Infill Drilling, best results

Drilling at Auer tested a north-eastward extension to the previously drilled mineralisation and returned best intersections as shown in Table 10.

Hole No	From	To	interval	%TREO	%Nd_2O_3+Pr_6O_{11}
AURC					
51	60	72	12	2.20	0.80
55	17	19	2	2.48	0.82
56	67	72	5	1.98	0.70
58	6	7	1	4.82	2.34
and	18	29	11	1.54	0.51

Table 10 – Yangibana Project, Auer Deposit, northern extension, best results

The locations of drillholes completed during the quarter are shown in Figure 1.

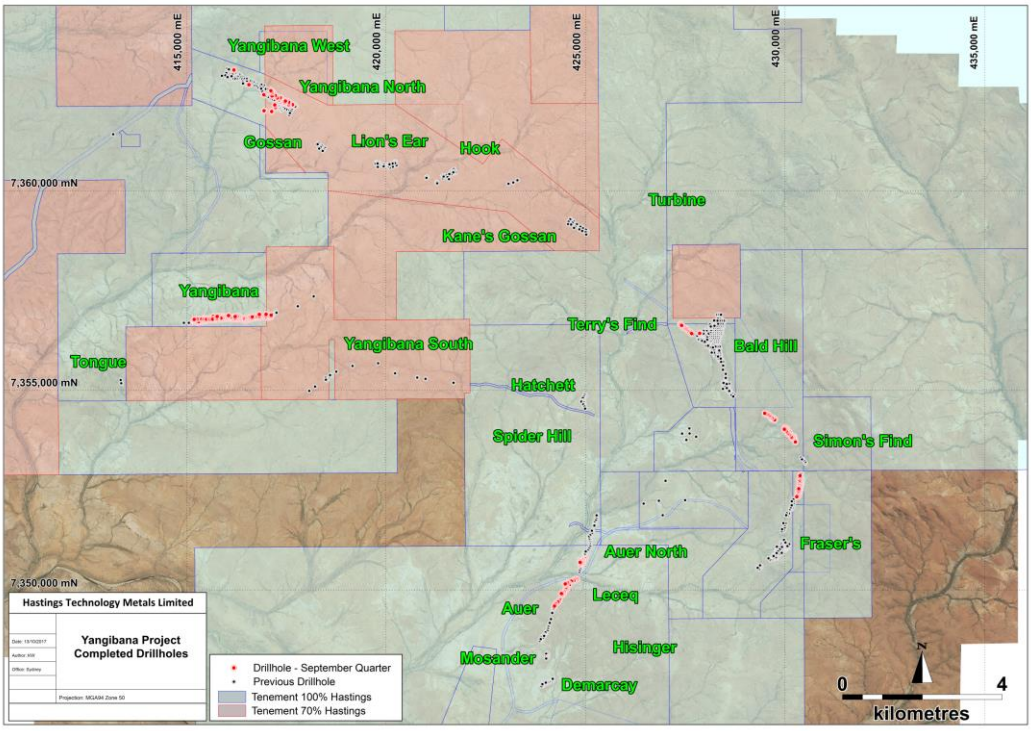


Figure 1 – Yangibana Project – Drilling completed in September Quarter 2017

Interpretation

The results of drilling at Yangibana and Simon's Find were successful in adding significant resources of high Nd_2O_3+Pr_6O_{11}:TREO mineralisation to the total project resources. Metallurgical testwork is in progress on samples from both deposits. Mineralisation at both is hosted by relatively narrow structures, but both deposits remain open along strike and at depth.

Infill drilling at Yangibana North led to the estimation of the first JORC Measured Resources for this deposit.

Drilling to the north-east of the defined resources at Auer identified a significant extension that will be drill-tested in the future. Infill drilling was underway at the end of the quarter at both Auer and Auer North Deposits with the aim of upgrading the resource status in these areas.

Capital Raising

During the quarter the Company successfully completed a capital raising of $16,225,000, before costs.

The Company has issued 81,125,000 new ordinary shares at a price of 20 cents per share to sophisticated and professional investors. A further 850,000 shares were subscribed for by Directors raising a further $170,000.

The funds will be used for infrastructure works prior to 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.

Appointment of Directors

Aris Stamoulis

Subsequent to the September 2017 quarter, Mr Aris Stamoulis was appointed as an Executive Director on 4 October 2017.

Mr Stamoulis has been engaged by the Company over the previous year as a consultant focusing on equity and debt financing for the mine development and production capability of the Yangibana project.

Mr Stamoulis was previously with Deutsche Bank and Morgan Stanley in London, Singapore and Hong Kong and has significant experience in capital markets and structured financing. He holds a Bachelor of Administration (Honours) degree in Economics from the University of Pretoria, South Africa.

Guy Robertson

Mr Guy Robertson was appointed an Executive Director on 31 July 2017.

Mr Robertson has been the Company Secretary since October 2011 and is a Director of Metal Bank Limited and Draig Resources Limited.

Mr Robertson has a Bachelor of Commerce (Hons) and is a Chartered Accountant.

BROCKMAN PROJECT

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

TERMINOLOGY USED IN THIS REPORT

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

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About Hastings Technology Metals

- Hastings Technology Metals is a leading Australian rare earths company, with two rare earths projects hosting JORC-compliant resources in Western Australia.
- The Yangibana Project hosts JORC Indicated and Inferred Resources totalling 20.56 million tonnes at 1.18% TREO (comprising Measured Resources of 3.79 million tonnes at 1.18% TREO, Indicated Resources of 8.24 million tonnes at 1.27% TREO and Inferred Resources of 8.53 million tonnes at 1.11% TREO), including 0.40% Nd_2O_3+Pr_2O_3.
- The Brockman deposit contains JORC Indicated and Inferred Resources totalling 41.4 million tonnes (comprising 32.3 million tonnes Indicated Resources and 9.1 million tonnes Inferred Resources) at 0.21% TREO, including 0.18% HREO, plus 0.36% Nb_2O_5 and 0.90% ZrO_2.
- Rare earths are critical to a wide variety of current and new technologies, including smart phones, hybrid cars, wind turbines and energy efficient light bulbs.
- The Company aims to capitalise on the strong demand for critical rare earths created by expanding new technologies.

Competent Persons' Statement

The information in this announcement that relates to Resources is based on information compiled by Lynn Widenbar. Mr. Widenbar is a consultant to the Company and a member of the Australasian Institute of Mining and Metallurgy. The information in this announcement that relates to Exploration Results is based on information compiled by Andy Border, an employee of the Company and a member of the Australasian Institute of Mining and Metallurgy.

Each has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this announcement and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code"). Each consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

HASTINGS
Technology Metals Limited

TENEMENT SCHEDULE

as at 30 September 2017 (All tenements are in Western Australia)

YANGIBANA PROJECT

Hastings Technology Metals Ltd

Es09/2084, 2086, 2095, 2129 - 100%

P09/482 - 100%

M09/157 - 100%

Gascoyne Metals Pty Limited (100% subsidiary)

Es09/1989, 2007, 2137, - 100%

Es09/1043, 1703, 1704, 1705, 1706 - 70%

Ms09/159, 161, 163 - 70%

Ms09/160, 164, 165 - 100%

G09/10 - 100%

G09/11, 13, 14 - 70%

L09/66-72, 74, 75, 80-83 - 100%

Yangibana Pty Limited (100% subsidiary)

Es09/1700, 1943, 1944, 2018 - 100%

Ms09/158, 162 -100%

Gs09/16-18 – 100%

BROCKMAN PROJECT

Brockman Project Holdings Pty Limited (100% subsidiary)

P80/1626 to 1635 - 100%

E80/4555 - 100%