

# HASTINGS

Technology Metals Limited



## ANNUAL REPORT 2018

## **CORPORATE INFORMATION**

**ABN 43 122 911 399**

### **Board of Directors and Senior Management**

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

### **Registered office**

Level 8, Westralia Plaza 167 St Georges Terrace  
Perth WA 6000  
Telephone: +61 (8) 6117 6118

### **Principal place of business**

Level 8, Westralia Plaza 167 St Georges Terrace  
Perth WA 6000 Australia

### **Share register**

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770 Canning Highway  
APPLECROSS WA 6153  
Telephone: +61 (8) 9315 2333

### **Bankers**

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

### **Auditors**

PricewaterhouseCoopers  
125 St Georges Terrace  
PERTH WA 6000

### **Website**

[www.hastingstechmetals.com](http://www.hastingstechmetals.com)

### **Securities Exchange**

Australian Securities Exchange  
ASX Code: HAS

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## LETTER FROM THE CHAIRMAN

Dear fellow shareholders,

The Yangibana project (Project) has made significant progress over the last year towards development as a high-grade neodymium and praseodymium mine.

The November 2017 Definitive Feasibility Study (DFS) detailed the Project, which will produce a Mixed Rare Earth Carbonate (MREC) rich in Neodymium (Nd) and Praseodymium (Pr), critical materials used in the manufacture of permanent magnets to drive electric motors used in Electric Vehicles (EV), wind turbines, and other high-tech applications. The DFS produced a maiden Ore Reserve of 5.15 million tonnes for the Bald Hill and Fraser's deposits, which underpinned the first 5 years of mine life. The DFS also included an additional production target (APT) produced from the Yangibana West, Yangibana, Auer and Auer North deposits.

The Project is comprised of significant deposits across the tenement holdings - Bald Hill, Fraser's, Yangibana West, Yangibana, Auer and Auer North – all 100% owned by Hastings (note that these areas mentioned herein represent approximately 50sqkm out of a total of 650sqkm of exploration tenure). In addition, Hastings holds a controlling 70% stake in other tenements held in a Joint Venture arrangement in the greater Yangibana area, although these were not considered in the DFS study. These Joint Venture tenements may be readily developed as upside to increase the mine life of the Project in the future.

Subsequent to the DFS probable ore reserves were increased to approximately 7.7 million tonnes at 1.13%TREO including 0.43%Nd<sub>2</sub>O<sub>3</sub>+Pr<sub>6</sub>O<sub>11</sub>, and further drilling subsequent to year end will move this towards the target of 10 million tonnes, a ten year mine life, by early 2019.

Significant effort was made during the year to establish and further develop relationships with potential customers, leading to the execution of four Memorandum of Understanding (MOU) offtake agreements, including thyssenkrupp Raw Materials GmbH. The total of four MOUs signed represent approximately 73% of planned MREC annual production of 15,000 tonnes from the Project. The Company is now in the process of documenting and negotiating detailed commercial agreements.

The development of a mine requires the support of many stakeholders and Hastings was delighted to sign a Native Title Agreement for its entire Project portfolio of 650 sq km with the Thiin-Mah Warriyangka, Tharrkari and Jiwarli People (TMWTJ) during the year. The agreement provides commercial benefits to the TMWTJ people and also enables the Company to work with the community in providing education, training and employment opportunities including assisting in the establishment of complementary sustainable local businesses.

A further major milestone was achieved with the filing of the Environmental Review Document (ERD) with the Environmental Protection Agency (EPA) of Western Australia. The document confirms that the Project can meet the scope of work outlined in the EPA approved environmental scoping document and Hastings commitment to managing the Project in a socially acceptable and environmentally responsible manner. The ERD is a substantial comprehensive document and it is expected that an EPA recommendation will be forthcoming in early 2019. The EPA has now approved the release of the Environmental Review Document for the four week public review period (1 - 28 October, 2018).

Our substantial progress and development of the Project has not been possible without the ongoing support of our shareholders and new shareholders. During the year the Company raised \$33.5 million (including closure of the share purchase plan in July 2017: \$4.4m at 8.6 cents per share, a placement of \$16.2m August 2017 at 20 cents per share, and a rights issue of \$12.2m in February 2018 at 31 cents per share), and a further \$14 million through a placement at 21 cents per share subsequent to financial year end.

A balance of equity and debt financing will be required to fund the Project development and to this end Hastings has signed an exclusive mandate with German KfW IPEX-bank to provide project finance loan advisory services in relation to securing approval from Euler Hermes Aktiengesellschaft ("Euler Hermes") as mandated by the German Federal Government as administrators of the Untied Loan Guarantee scheme ("UFG Cover"). Upon approval from Euler Hermes and the authorised credit committees of KfW IPEX-Bank, KfW IPEX-Bank has indicated that it will provide senior debt facilities of up to A\$250m for the project. It is anticipated that further equity issues will complement the debt financing currently underway which is targeted to close in 2Q next year.

We are making steady progress towards our mid 2020 production timeline with the construction of the accommodation village well underway and the imminent placement of an order for an Acid Bake Rotary Kiln, a critical piece of long lead time equipment, with FLSmidth.

We anticipate strong demand in the years ahead for permanent magnets and electric motors. Government policies for efficient and clean energy combined with pollution control are the catalyst for the anticipated ramp up in demand. Investments in wind energy continues to grow substantially world wide and numerous automotive manufacturers are announcing new EV or hybrid EV models coming on stream in the next year or two. We are living in an era of the e-mobility revolution and witnessing this transition where EV will become main stream mode of transport.

On behalf of the board, I thank all of our stakeholders for their continued support as we remain committed in our objective of bringing this Project with its exceptionally high Nd-Pr content of rare earth into production.



Charles Lew  
Executive Chairman  
28 September 2018

## **Directors**

Charles Lew, Executive Chairman



Jean Claude Steinmetz, Non-Executive Director



Guy Robertson, Executive Director





## REVIEW OF OPERATIONS

### YANGIBANA PROJECT

#### DEFINITIVE FEASIBILITY STUDY, RESOURCES AND ORE RESERVES

In November 2017 the Company reported the successful completion of a Definitive Feasibility Study (DFS) for the Yangibana Project based on the production of Mixed Rare Earths Carbonate (MREC) rich in Neodymium (Nd) and Praseodymium (Pr), critical materials used in the manufacture of permanent magnets.

The DFS demonstrated attractive economics using price projections for the key rare earths of Nd-Pr which the company anticipates will have solid demand based on the strong trending growth of electric vehicles and wind turbines in particular, as well as other technological innovations. The DFS furthermore demonstrated the technical viability of the Yangibana flow sheet.



**Figure 1. Beneficiation testwork in progress at ALS during 2017 DFS pilot plant**

The DFS calculations were based on the maiden JORC Ore Reserves of 5.15 million tonnes at 1.12% Total Rare Earths Oxide (TREO) from Bald Hill and Fraser's deposits for the first six years of operations, along with an Additional Production Target (APT) for years 7 and 8 based on additional JORC Measured and Indicated Resources. All the Ore Reserves and Mineral Resources included in the DFS lie within tenements owned 100% by Hastings.

After the end of the financial year, Hastings reported a significant increase in the Probable Ore Reserves to **7.74 million tonnes at 1.13% TREO including 0.43% Nd<sub>2</sub>O<sub>3</sub>+Pr<sub>6</sub>O<sub>11</sub>**. This increase was based on post-DFS Pre-Feasibility studies (PFS) incorporating recent geological, geotechnical, metallurgical and environmental work, with independent consultants Snowden Mining Industry Consultants (Snowden) completing PFS-level mining studies now including Ore Reserves derived from Measured and Indicated Mineral Resources at the Yangibana West, Yangibana, Auer and Auer North deposits (The 2017 APT deposits).

Current JORC Probable Ore Reserves in the Yangibana Project are as shown in Table 1.

Deposit	Tonnes	%TREO	%Nd <sub>2</sub> O <sub>3</sub> +Pr <sub>6</sub> O <sub>11</sub>
Bald Hill	4,385,000	1.03	0.41
Fraser's	780,000	1.58	0.67
Yangibana West	1,397,000	1.23	0.34
Yangibana	838,000	0.99	0.47
Auer	150,000	1.13	0.41
Auer North	192,000	1.22	0.45
<b>TOTAL</b>	<b>7,742,000</b>	<b>1.13</b>	<b>0.43</b>

Table 1 – JORC Probable Ore Reserves – July 2018



Figure 2. Logging of diamond drill core

The Ore Reserves occur within Measured and Indicated Mineral Resources as estimated by independent consultants Widenbar and Associates Pty Limited in November 2017 following completion of extensive drilling programmes during the year. Total JORC Mineral Resources now stand at 21.0 million tonnes as shown in Table 2. Note that resource tonnes in the following tables are rounded to the nearest 100,000 tonnes and rounding errors may appear. Mineral Resources are inclusive of Ore Reserves.

Category	Tonnes	Nd <sub>2</sub> O <sub>3</sub> +Pr <sub>6</sub> O <sub>11</sub>	TREO	Nd <sub>2</sub> O <sub>3</sub>	Pr <sub>6</sub> O <sub>11</sub>	Dy <sub>2</sub> O <sub>3</sub>	Tb <sub>4</sub> O <sub>7</sub>
		%	%	ppm	ppm	ppm	ppm
Measured	3,900,000	0.42	1.19	3,372	851	58.7	19.07
Indicated	8,600,000	0.42	1.25	3,368	858	47.7	16.31
Meas + Ind	12,500,000	0.42	1.23	3,369	856	51.1	17.17
Inferred	8,400,000	0.36	1.09	2,829	740	40.5	13.26
<b>TOTAL</b>	<b>21,000,000</b>	<b>0.40</b>	<b>1.17</b>	<b>3,152</b>	<b>809</b>	<b>46.8</b>	<b>15.59</b>
Note: Rounding errors may occur							

**Table 2 – Yangibana Project, November 2017 JORC Mineral Resources**

These resources include those within tenements held 100% by Hastings (Table 3) and those held in joint venture with Hastings holding 70% interest (Table 4).

Total Resource in Tenements 100% held by Hastings							
Category	Tonnes	Nd <sub>2</sub> O <sub>3</sub> +Pr <sub>6</sub> O <sub>11</sub>	TREO	Nd <sub>2</sub> O <sub>3</sub>	Pr <sub>6</sub> O <sub>11</sub>	Dy <sub>2</sub> O <sub>3</sub>	Tb <sub>4</sub> O <sub>7</sub>
		%	%	ppm	ppm	ppm	ppm
Measured	3,000,000	0.42	1.06	3,404	809	63.3	19.50
Indicated	6,600,000	0.41	1.09	3,324	794	48.5	15.97
Meas + Ind	9,600,000	0.41	1.08	3,349	799	53.1	17.08
Inferred	5,800,000	0.35	0.93	2,840	684	40.9	12.83
<b>TOTAL</b>	<b>15,400,000</b>	<b>0.39</b>	<b>1.03</b>	<b>3,158</b>	<b>756</b>	<b>48.5</b>	<b>15.49</b>
Note: Rounding errors may occur							

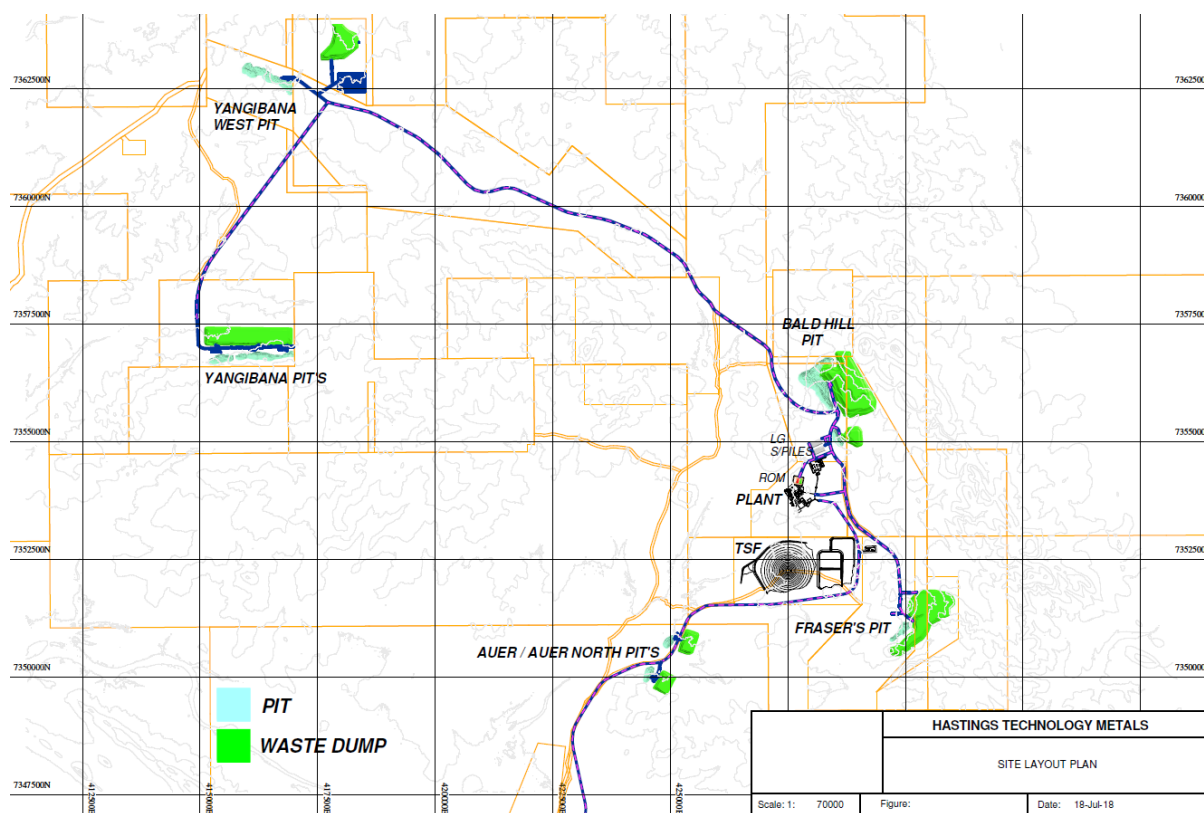
**Table 3 – Yangibana Project, November 2017 JORC Mineral Resources in tenements 100% held by Hastings**

Total Resource in Tenements 70% held by Hastings							
Category	Tonnes	Nd <sub>2</sub> O <sub>3</sub> +Pr <sub>6</sub> O <sub>11</sub>	TREO	Nd <sub>2</sub> O <sub>3</sub>	Pr <sub>6</sub> O <sub>11</sub>	Dy <sub>2</sub> O <sub>3</sub>	Tb <sub>4</sub> O <sub>7</sub>
		%	%	ppm	ppm	ppm	ppm
Measured	900,000	0.43	1.64	3,258	997	42.8	17.55
Indicated	2,100,000	0.46	1.76	3,507	1,061	45.1	17.39
Meas + Ind	2,900,000	0.45	1.72	3,433	1,042	44.4	17.44
Inferred	2,700,000	0.37	1.42	2,806	860	39.6	14.17
<b>TOTAL</b>	<b>5,600,000</b>	<b>0.41</b>	<b>1.58</b>	<b>3,134</b>	<b>955</b>	<b>42.1</b>	<b>15.88</b>
Note: Rounding errors may occur							

**Table 4 – Yangibana Project, November 2017 JORC Mineral Resources in tenements 70% held by Hastings**

Snowden's mining studies have defined pits and waste dumps at five geographical centres as shown in Figure 3, with the proposed processing plant located in close proximity to the Bald Hill and Fraser's pits with these being the initial mining targets.





**Figure 3 – Yangibana Project Layout Plan**

The Company has completed extensive metallurgical DFS testwork to define and confirm the process flowsheet for the Yangibana project, culminating in pilot plant tests on a composite ore sample of material from Bald Hill and Fraser's. This testwork has defined a process route entailing crush, grind, flotation, acid bake with water leach and precipitation of a Mixed Rare Earths Carbonate. Further metallurgical PFS testwork has established that the ore from the Yangibana West, Yangibana, Auer and Auer North deposits is compatible with this processing flowsheet.

Approximately 1 million tonnes per annum of ore will be brought to the Run Of Mine (ROM) pad where the flowsheet process begins. Early stages of the processing of the ore comprise comminution and beneficiation. The resulting beneficiated concentrate is upgraded by 20 times from the ROM ore, as demonstrated through the DFS, to a 25% TREO concentrate. This concentrate is further processed downstream through a hydrometallurgical process that involves acid bake, water leaching, impurity removal and precipitation to produce up to 15,000 tonnes per annum (tpa) of MREC at 59% TREO grade. The MREC will contain up to 3,400 tpa of neodymium oxide ( $\text{Nd}_2\text{O}_3$ ) + praseodymium oxide ( $\text{Pr}_6\text{O}_{11}$ ) representing 41% of contained TREO.

The scope of work required for environmental approvals have been substantially completed and the Project is progressing through a Public Environmental Review (PER) level of assessment by both the State and Commonwealth Governments. The Auer and Yangibana deposits will require additional approval applications in future. These are expected to be routine in nature as the environmental investigation work undertaken during the PFS identified no significant environmental issues that would preclude a future approval being issued by State and Commonwealth Governments.

Two early works approvals were also applied for and granted by the EPA, which will enable the construction of preliminary works such as the access road, the first 100 rooms of the accommodation village and a construction water pipeline.

The key Ore Reserve parameters developed from the supplementary PFS are shown below.

Pre-Feasibility Study Parameters	Parameter
Status of JORC Resources used for financial evaluation	Measured and Indicated
Mining Method	Open Pits
Mining Dilution – 0.5m skin on HW and FW incorporated in resource estimation	variable
Mining Recovery	98%
Processing Route	Flotation, Acid Bake – Water Leach and MREC Precipitation
Overall Processing Recovery (TREO) – Ore to MREC	75.2%
Target Production Rate (Mixed Rare Earths Concentrate)	15,000 tpa
Target Contained Nd <sub>2</sub> O <sub>3</sub> +Pr <sub>6</sub> O <sub>11</sub>	3,400 tpa
Pre-Production Capital Costs (Excl funding costs)	A\$335.3m
Production Capital Costs	A\$13.1m
Operating Costs	A\$18.5/kgTREO
Basket Value of MREC product	US\$29.21/kgTREO
Exchange Rate US\$:A\$	0.75
Discount Rate	8%

This PFS financial evaluation evaluates the production targets based only on the combined Bald Hill, Fraser's, Yangibana, Yangibana West, Auer and Auer North deposits that were upgraded through the DFS and this PFS to a Probable Ore Reserve of 7,742 Mt (DFS Production Target).

A summary of the Mineral Resources and their utilisation as Production Target in the financial evaluation is provided below.

Deposit	Mineral Resources (t)				Production Target (t)
	Measured	Indicated	Inferred	Total	2017 DFS + 2018 PFS Production Target from Probable Ore Reserve
Bald Hill	2,700,000	2,050,000	1,340,000	6,100,000	4,385,000
Fraser's	220,000	650,000	700,000	1,580,000	780,000
Auer		260,000	960,000	1,220,000	150,000
Auer North		300,000	460,000	760,000	192,000
Yangibana		1,180,000	720,000	1,900,000	838,000
Yangibana West	110,000	1,660,000	760,000	2,540,000	1,397,000
Total	3,030,000	6,100,000	4,940,000	14,100,000	7,472,000

The PFS financial model assumes an average long-term US\$/A\$ exchange rate of US\$0.75 and uses escalating price forecasts from 2017 to 2027 for rare earths prices from Argus Media, an independent provider of price information, market data and business intelligence for the global resource industry. Financial evaluation of the Probable Ore Reserves in the PFS results in the economic outcome shown below.

Operating Life	8 years
Net Present Value (NPV)	A\$466m
Internal Rate of Return (IRR)	76%
Payback Period	2.3 years

## RESOURCE DRILLING

Feeding into the resource and reserve estimation process, expansion and infill drilling programmes were carried out during the year on new targets at Yangibana and Simon's Find, a northern extension to Auer Deposit and infill drilling at Yangibana North.



**Figure 4. Exploration drilling underway at Yangibana**

Selected results from the reverse circulation (RC) drilling at Yangibana are shown in Table 5 and confirm the high  $\text{Nd}_2\text{O}_3+\text{Pr}_6\text{O}_{11}$ :TREO ratio identified in earlier rock chip sampling, with ratios of between 44% and 51%.

Hole No	From (m)	To (m)	Interval (m)	%TREO	% $\text{Nd}_2\text{O}_3+\text{Pr}_6\text{O}_{11}$
<b>YARC</b>					
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
93	50	54	4	1.94	0.93
96	56	62	6	1.30	0.67

**Table 5 – Yangibana Project, Yangibana Prospect 2017 Drilling, best results**

Significant results from Simon's Find are shown in table 6, confirming that Simon's Find has the highest ratio of  $\text{Nd}_2\text{O}_3+\text{Pr}_6\text{O}_{11}$ :TREO of all deposits and prospects identified to date throughout the Yangibana Project, ranging from 52% to 57%.

Hole No	From (m)	To (m)	Interval (m)	%TREO	%Nd <sub>2</sub> O <sub>3</sub> +Pr <sub>2</sub> O <sub>3</sub>
<b>SFRC</b>					
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 6 – Yangibana Project, Simon's Find Prospect 2017 Drilling, best results**

Infill drilling at Yangibana North returned the best intersections shown in Table 7.

Hole No	From (m)	To (m)	Interval (m)	%TREO	%Nd <sub>2</sub> O <sub>3</sub> +Pr <sub>2</sub> O <sub>3</sub>
<b>YGRC</b>					
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 7 – 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 8.

Hole No	From (m)	To (m)	Interval (m)	%TREO	%Nd <sub>2</sub> O <sub>3</sub> +Pr <sub>6</sub> O <sub>11</sub>
<b>AURC</b>					
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 8 – Yangibana Project, Auer Deposit, northern extension, best results**

The results of drilling at Yangibana and Simon's Find were successful in adding significant resources of high Nd<sub>2</sub>O<sub>3</sub>+Pr<sub>6</sub>O<sub>11</sub>:TREO mineralisation to the total project resources. Mineralisation at both is hosted by relatively narrow structures, but both deposits remain open along strike and at depth.





**Figure 5. Geotechnical drilling at proposed tailings storage facility area**

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

#### **INFILL DRILLING**

On completion of the DFS, infill drilling was carried out at Bald Hill and Fraser's deposits to provide composite samples for additional pilot plant-scale testwork. Assay results from the Bald Hill deposit provide the best intersections shown in Table 9.

<b>Hole No</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Interval (m)</b>	<b>%TREO</b>	<b>%Nd<sub>2</sub>O<sub>3</sub>+Pr<sub>6</sub>O<sub>11</sub></b>
<b>BHRC</b>					
332	19	25	6	1.89	0.81
337	24	34	10	1.74	0.71
338	33	40	7	2.36	0.95
342	8	15	7	2.20	0.96
399	34	48	14	1.48	0.59
400	28	43	15	1.12	0.44
402	20	28	8	1.44	0.53
413	31	47	16	1.19	0.46
419	47	60	13	1.42	0.52
425	3	24	21	1.64	0.63
434	29	37	8	1.60	0.65
435	0	16	16	1.29	0.55
442	9	26	17	1.26	0.54
443	2	16	14	1.78	0.77

**Table 9 – Yangibana Project – Significant RC Results for Bald Hill, 2018**

The holes shown in blue in Figures 2 and 3 are those selected for inclusion in the new pilot plant sample. The more western holes were drilled in 2017.

Assay results from the Bald Hill deposit provide the best intersections shown in Table 10.

Hole No FRRC	From (m)	To (m)	Interval (m)	%TREO	%Nd <sub>2</sub> O <sub>3</sub> +Pr <sub>6</sub> O <sub>11</sub>
132	39	43	4	1.14	0.49
134	29	37	8	1.51	0.59
135	21	26	5	1.52	0.64
136	23	32	9	2.38	1.01
137	30	36	6	1.70	0.69
138	10	20	10	1.08	0.49
144	76	83	7	1.09	0.46
145	65	68	3	2.04	0.78

150	32	36	4	1.85	0.73
153	94	98	4	2.80	1.15
165	11	20	9	3.03	1.22
168	30	36	6	2.87	1.16
169	32	36	4	1.97	0.81

**Table 10 – Yangibana Project – Significant RC Results for Fraser's, 2018**

The holes shown in blue in Figure 6 are those selected for inclusion in the new pilot plant sample.



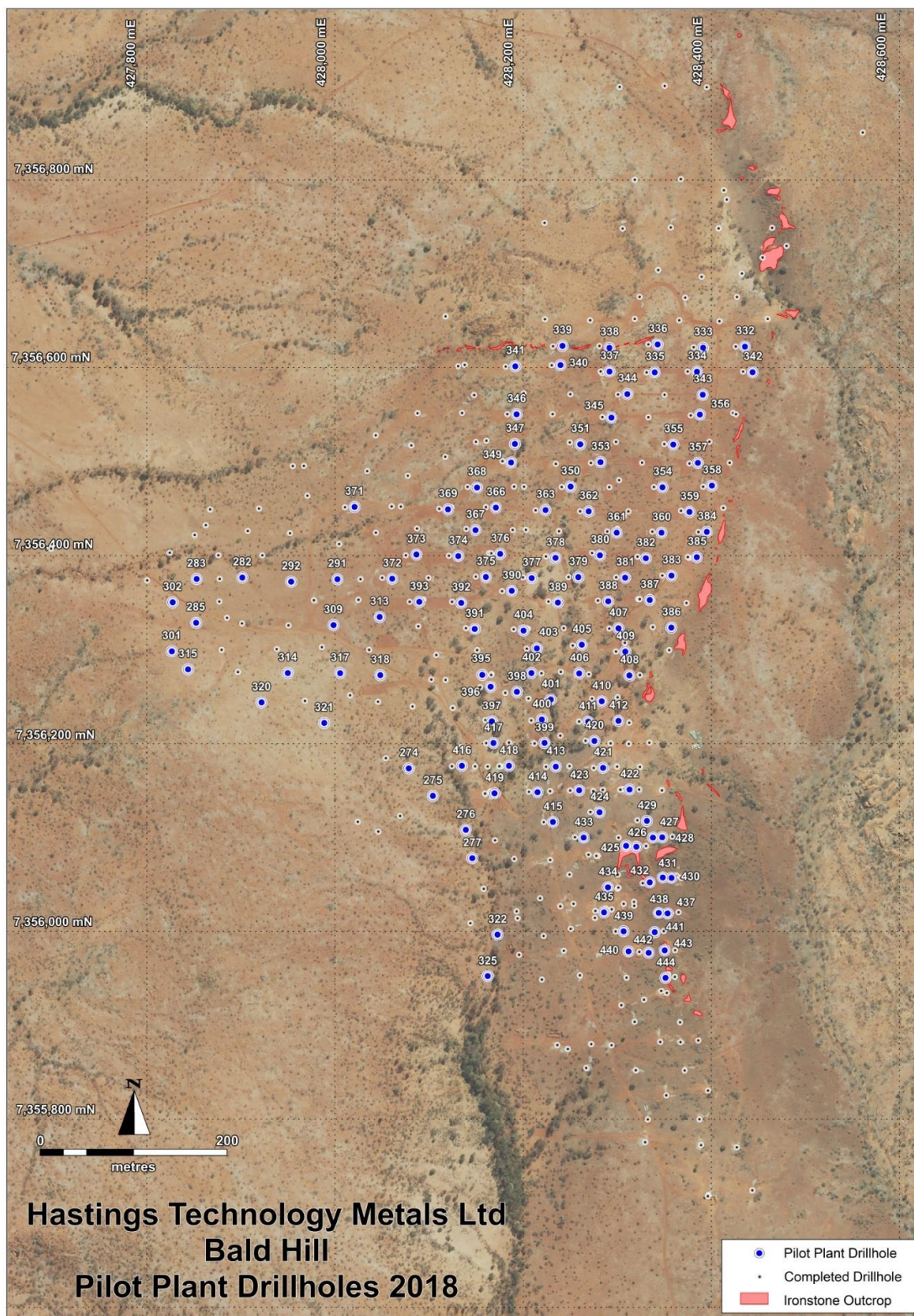
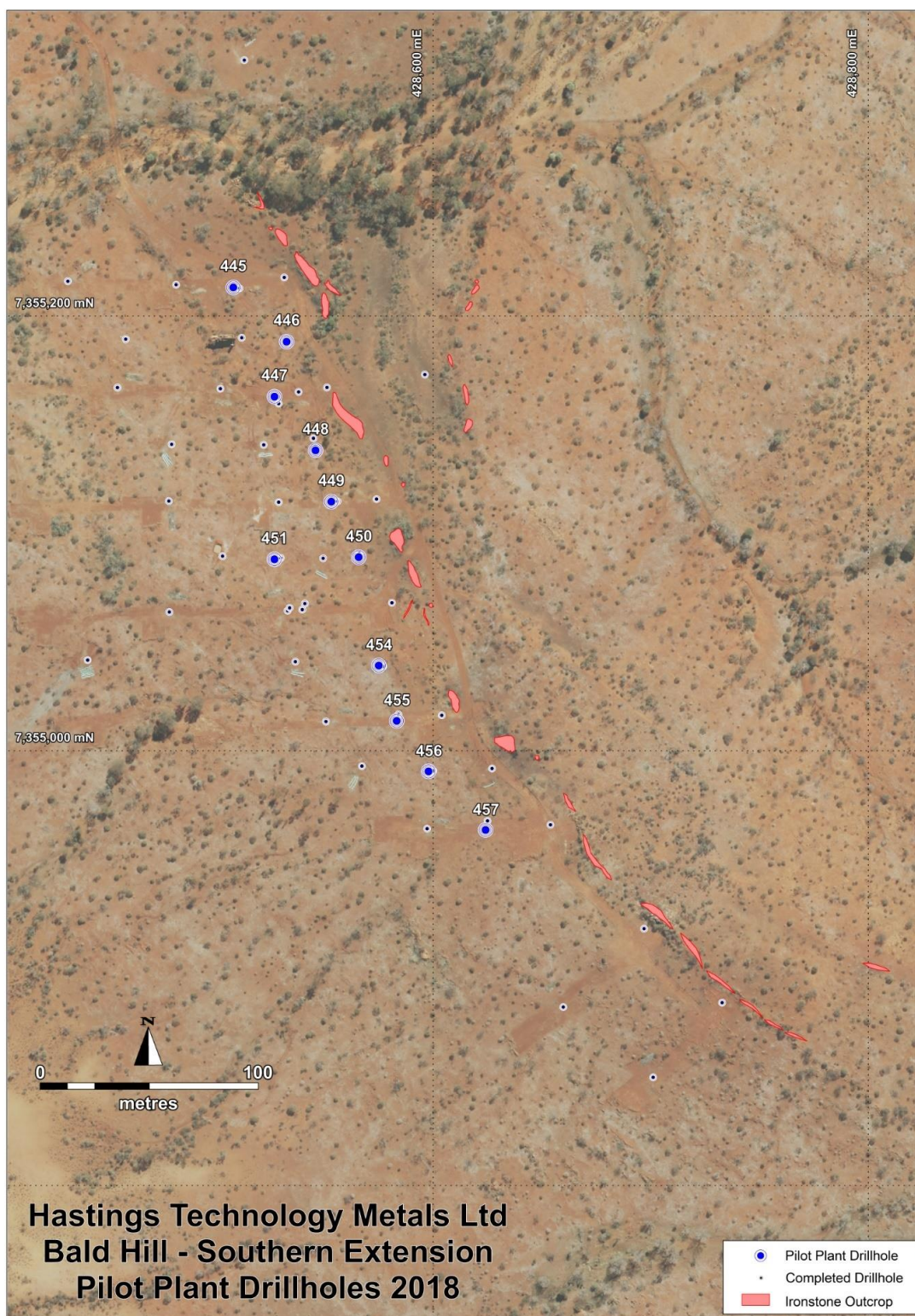


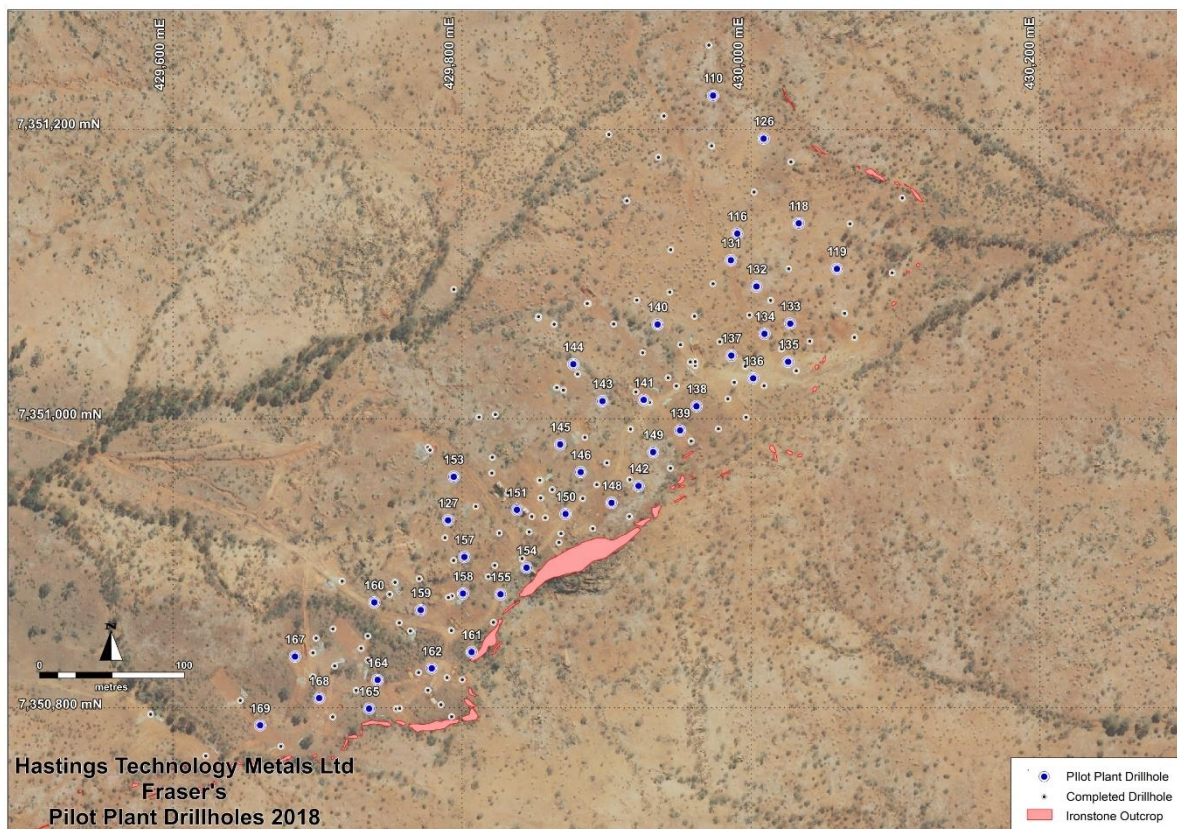
Figure 6 – Bald Hill Deposit – Location of Holes used to provide samples for Pilot Plant testwork





**Figure 7 – Bald Hill Southeast Deposit – Location of Holes used to provide samples for Pilot Plant testwork**





**Figure 8 – Fraser's Deposit – Location of Holes used to provide samples for Pilot Plant testwork**

Infill and extension drilling was in progress at the end of the year to expand the resources at Auer and Auer North deposits.

## HYDROLOGICAL DRILLING

A major hydrological drilling programme was undertaken during the year to confirm adequate water supply for the process plant from an on-tenement borefield. A series of four production bores were installed in the January – April 2018 period. The availability of sufficient groundwater resources for the Yangibana project was demonstrated through test pumping of the initial four production bores. Further production bores will be installed during the construction phase of the project.



**Figure 9. Pump testing of a water supply production bore**

## **ENGINEERING DEVELOPMENT**

Following the completion of the DFS in November 2017 the size of the engineering team was significantly expanded in preparation of the Front End Engineering Design (FEED) that commenced in April this year. The FEED will develop the engineering scope to a level that enables contracts to be let for the procurement of long lead equipment such as the acid bake kiln, SAG mill and others. The FEED will be completed in Q4 2018 and will deliver the scope of works required to tender the main EPCM contract for the implementation of the process plant and mine construction.

A 12km construction water pipeline was installed in preparation for accommodation village siteworks. The design of the early works access road and accommodation village was completed, and a contract was issued for construction of the accommodation village. On-site construction work for the accommodation village commenced after the financial year in July 2018.

The Company will shortly place an order with FLSmidth for a Rotary Kiln at a cost of approximately \$13 million. This is a critical piece of long lead item equipment short listed and selected from a well credentialed Danish based global engineering company.





**Figure 10. Earthworks and construction underway at the accommodation village site**

#### **NATIVE TITLE AGREEMENT**

In November 2017 the Company signed a Native Title Agreement (NTA) with the Thiin-Mah Warriyangka, Tharrkari and Jiwarli People (TMWTJ People) in respect of the Yangibana Project. A first kick off meeting was held with the Implementation Committee members in Carnarvon.

#### **BROCKMAN PROJECT**

The Company continued the process of preparing documentation to support the application of a Mining Lease on the Brockman Project.

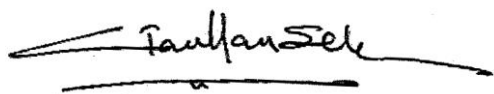
#### **Terminology used in this report**

\* **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).



**Stefan Wolmarans**  
**Chief Operating Officer**  
**28 September 2018**

## Annual Ore Reserves and 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 2018. 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 Yangibana Ore Reserves were first reported during the period of this review. 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 Ore Reserve or Mineral Resource table.

The quoted Yangibana Ore Reserves were first reported in November 2017 and were increased after the nominated date of this statement in July 2018 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. Reserves are confined to tenements in which Hastings holds a 100% interest (Table 1).

The quoted Yangibana Mineral Resource estimate was first reported in November 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. Resources are shown for the total project (Table 2); and this total then split into the 100% Hastings tenements (Table 3); and the joint venture ground in which Hastings holds a 70% interest (Table 4).

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. Resources are shown for the main Brockman Project (Table 5) and the Southern Extension (Table 6).



## Yangibana Project Ore Reserves

Deposit	Tonnes	%TREO	%Nd <sub>2</sub> O <sub>3</sub> +Pr <sub>6</sub> O <sub>11</sub>
Bald Hill	4,385,000	1.03	0.41
Fraser's	780,000	1.58	0.67
Yangibana West	1,397,000	1.23	0.34
Yangibana	838,000	0.99	0.47
Auer	150,000	1.13	0.41
Auer North	192,000	1.22	0.45
<b>TOTAL</b>	<b>7,742,000</b>	<b>1.13</b>	<b>0.43</b>

The quoted Yangibana Ore Reserve was first reported in July 2018 in accordance with the 2012 JORC Code (refer to ASX Release dated 31 July 2018 titled "50% Increase in Ore reserves at Yangibana Project to 7.74 Million Tonnes", available to view at [www.hastingstechmetals.com](http://www.hastingstechmetals.com)).

## Yangibana Project Mineral Resources

Category	Tonnes	Nd <sub>2</sub> O <sub>3</sub> +Pr <sub>6</sub> O <sub>11</sub>	TREO	Nd <sub>2</sub> O <sub>3</sub>	Pr <sub>6</sub> O <sub>11</sub>	Dy <sub>2</sub> O <sub>3</sub>	Tb <sub>4</sub> O <sub>7</sub>
		%	%	ppm	ppm	ppm	ppm
Measured	3,900,000	0.42	1.19	3,372	851	58.7	19.07
Indicated	8,600,000	0.42	1.25	3,368	858	47.7	16.31
Meas + Ind	12,500,000	0.42	1.23	3,369	856	51.1	17.17
Inferred	8,400,000	0.36	1.09	2,829	740	40.5	13.26
<b>TOTAL</b>	<b>21,000,000</b>	<b>0.40</b>	<b>1.17</b>	<b>3,152</b>	<b>809</b>	<b>46.8</b>	<b>15.59</b>
Note: Rounding errors may occur							

Table 2: Yangibana Total Rare Earths Resources at a 0.2%Nd<sub>2</sub>O<sub>3</sub>+Pr<sub>6</sub>O<sub>11</sub> cut-off, November 2017.

Total Resource in Tenements 100% held by Hastings							
Category	Tonnes	Nd <sub>2</sub> O <sub>3</sub> +Pr <sub>6</sub> O <sub>11</sub>	TREO	Nd <sub>2</sub> O <sub>3</sub>	Pr <sub>6</sub> O <sub>11</sub>	Dy <sub>2</sub> O <sub>3</sub>	Tb <sub>4</sub> O <sub>7</sub>
		%	%	ppm	ppm	ppm	ppm
Measured	3,000,000	0.42	1.06	3,404	809	63.3	19.50
Indicated	6,600,000	0.41	1.09	3,324	794	48.5	15.97
Meas + Ind	9,600,000	0.41	1.08	3,349	799	53.1	17.08
Inferred	5,800,000	0.35	0.93	2,840	684	40.9	12.83
<b>TOTAL</b>	<b>15,400,000</b>	<b>0.39</b>	<b>1.03</b>	<b>3,158</b>	<b>756</b>	<b>48.5</b>	<b>15.49</b>
Note: Rounding errors may occur							

Table 3: Yangibana Rare Earths Resources within 100% Hastings tenements at a 0.2%Nd<sub>2</sub>O<sub>3</sub>+Pr<sub>6</sub>O<sub>11</sub> cut-off, November 2017.

Total Resource in Tenements 70% held by Hastings							
Category	Tonnes	Nd <sub>2</sub> O <sub>3</sub> +Pr <sub>6</sub> O <sub>11</sub>	TREO	Nd <sub>2</sub> O <sub>3</sub>	Pr <sub>6</sub> O <sub>11</sub>	Dy <sub>2</sub> O <sub>3</sub>	Tb <sub>4</sub> O <sub>7</sub>
		%	%	ppm	ppm	ppm	ppm
Measured	900,000	0.43	1.64	3,258	997	42.8	17.55
Indicated	2,100,000	0.46	1.76	3,507	1,061	45.1	17.39
Meas + Ind	2,900,000	0.45	1.72	3,433	1,042	44.4	17.44
Inferred	2,700,000	0.37	1.42	2,806	860	39.6	14.17
<b>TOTAL</b>	<b>5,600,000</b>	<b>0.41</b>	<b>1.58</b>	<b>3,134</b>	<b>955</b>	<b>42.1</b>	<b>15.88</b>
Note: Rounding errors may occur							

Table 4: Yangibana Rare Earths Resources within Joint Venture tenements at a 0.2%Nd<sub>2</sub>O<sub>3</sub>+Pr<sub>6</sub>O<sub>11</sub> cut-off, November 2017.

The quoted Yangibana Mineral Resource was first reported in November 2017 in accordance with the 2012 JORC Code (refer to ASX Release dated 22 November 2017 titled 'Final 2017 JORC Resource Update Including Auer, Auer North Results', available to view at [www.hastingstechmetals.com](http://www.hastingstechmetals.com)).

### Brockman Project Mineral Resources

Category	Tonnes	ppm Nb <sub>2</sub> O <sub>5</sub>	ppm Ta <sub>2</sub> O <sub>5</sub>	ppm ZrO <sub>2</sub>	ppm Ga <sub>2</sub> O <sub>5</sub>	ppm HfO <sub>2</sub>	ppm TREO	ppm HREO	ppm Dy <sub>2</sub> O <sub>3</sub>	ppm Y <sub>2</sub> O <sub>3</sub>
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
<b>TOTAL</b>	<b>36,200.000</b>	<b>3546</b>	<b>182</b>	<b>8913</b>	<b>110</b>	<b>318</b>	<b>2102</b>	<b>1802</b>	<b>186</b>	<b>1120</b>

Table 5: Brockman Rare Metals-Rare Earths Resource at a 1,500ppm Nb<sub>2</sub>O<sub>5</sub> cut-off. September 2011.

### Brockman Southern Extension Mineral Resources

Category	Tonnes	ppm Nb <sub>2</sub> O <sub>5</sub>	ppm ZrO <sub>2</sub>	ppm TREO
Indicated	5,200,000	3900	9500	2200
<b>TOTAL</b>	<b>5,200,000</b>	<b>3900</b>	<b>9500</b>	<b>2200</b>

Table 6: Brockman Rare Metals-Rare Earths Southern Extension Resource at a 0.2%TREO cut-off. December 2015.

The quoted 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.hastingstechmetals.com](http://www.hastingstechmetals.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 ore reserves and mineral resources quoted are subject to good governance arrangements and internal controls. The ore reserves and 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 that relates to the Ore Reserves at Bald Hill, Fraser's, Yangibana, Auer and Auer North and Yangibana West is based on information reviewed or work undertaken by Mr Frank Blanchfield, FAusIMM, and an employee of Snowden Mining Industry Consultants. Mr Blanchfield has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the preparation of mining studies to qualify as a Competent Person as defined by the JORC Code 2012. Mr Blanchfield consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears. The scientific and technical information that relates to process metallurgy is based on information reviewed by Ms. Narelle Marriott (Principal Engineer – Beneficiation) and Mr Zhaobing (Robin) Zhang (Process Engineering Manager) of Hastings Technology Metals Limited. Both Ms Marriott and Mr Zhang are members of AusIMM. Each has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined by the JORC Code 2012. Ms Marriott and Mr Zhang consent to the inclusion in this announcement of the matters based on their information in the form and context in which it appears.*

*The information 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 CocksRocks 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 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 2018 (All tenements are in Western Australia)

**YANGIBANA  
PROJECT**
**Gascoyne Metals Pty Limited (100% subsidiary)**

E09/1700	100%
E09/2084	100%
E09/2086	100%
E09/2095	100%
P09/482	100%
P09/489	100%
M09/157	100%
E09/2129	100%
E09/1989	100%
E09/2007	100%
E09/2137	100%
M09/160	100%
M09/164-165	100%
G09/10	100%
G09/14	100%
L09/66-75	100%
L09/80-83	100%
E09/2296	(Application)
E09/2297	(Application)
E09/2298	(Application)
E09/1043	70%
E09/1049	70%
E09/1703-1706	70%
M09/159	70%
M09/161,163	70%
G09/11	70%
G09/13	70%

**Yangibana Pty Limited (100% subsidiary)**

E09/1700	100%
E09/1943-1944	100%
E09/2018	100%
P09/467	100%
M09/158	100%
M09/162	100%
G09/16-18	100%

**BROCKMAN PROJECT**
**Brockman Project Holdings Pty Limited (100%)**

P80/1626-1635	100%
E80/4248	(Application)
M09/636	(Application)

## DIRECTORS' REPORT

Your directors submit the annual financial report of the consolidated entity consisting of Hastings Technology Metals Ltd (the "Company") and the entities it controlled during the period (the "Group") for the financial year ended 30 June 2018. 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 Jean Claude Steinmetz	
Mr Guy Robertson	Appointed 31 July 2017
Mr Anthony Ho	Resigned 29 November 2017
Aristeidis Stamoulis	Appointed 4 October 2017, Resigned 15 March 2018

### 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 one of Malaysia's prominent banking group, RHB Bank from March 2004 until his retirement from the Group in May 2016. During this period, he was on the board of RHB Investment Bank (2004 to 2016), RHB Islamic Bank (2008 to 2016) and RHB Capital Berhad (2005 to 2007). 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 Lew has not held any other ASX directorships in the last three years.

#### 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<sub>2</sub>) 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.

## DIRECTORS' REPORT (continued)

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. Mr Steinmetz has not held any other ASX directorships in the last three years.

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 was previously a director of Bellevue Gold 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	97,406,802	-	10,000,000
Mr Jean Claude Steinmetz	520,890	-	2,500,000
Mr Guy Robertson	1,001,299	-	150,000

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 completion of the Definitive Feasibility Study (DFS) for the Yangibana rare earths project, drilling to increase the probable reserves (and mine life) of the Yangibana project and preliminary infrastructure works associated with developing the Yangibana project. For a review of operations, please refer to the section Review of Operations on pages 5 to 18.

## **DIRECTORS' REPORT (continued)**

### ***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 \$2,891,278 (2017: \$1,523,429). The result for 2017 has been restated to show the research and development tax offset of \$1,513,914 as a deduction from exploration expenditure. See note 1 (b).

The Group's operating income increased to \$281,241 (2017: \$196,732) primarily an increase in interest income given additional funds on hand.

Expenses increased to \$3,172,519 (2017: \$1,720,161). Expenses have increased due to an increase in personnel and administration costs as the Company completed its Definitive Feasibility Study (DFS) and moved to put in place the infrastructure to support the development of an NdPr mine in Western Australia.

Capitalised exploration increased to \$49,454,998 (2017: \$37,287,382) reflecting the costs associated with completing the DFS and increased drilling on the Yangibana project to increase probable reserves.

Plant and equipment increased to \$5,070,943 (2017: \$25,380) reflecting preliminary construction works on the Yangibana project site.

Net assets increased to \$68,495,515 (2017: \$38,707,941) reflecting capital raisings during the year of \$33.7 million (before costs) and the result for the year.

### ***Review of financial conditions***

As at 30 June 2018 the consolidated entity had \$20.7 million in cash assets. Subsequent to year end the Company raised \$13.97 million (before costs). These funds will be used for the long lead items associated with the processing plant including the Rotary Kiln.

### ***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 Group during the year:

- Increase in Yangibana JORC 2012 resources to 17 million tonnes, and subsequent to year end to 21 million tonnes
- Signing of a Native Title Agreement for the total tenement area of 650 km<sup>2</sup>
- Completion of the Yangibana Definitive Feasibility Study (DFS)
- Signing of four offtake Memorandum of Understanding (MOU)
- Completion of a \$33.7 million rights issue and capital raise placement before costs

### ***Significant events after balance sheet date***

Subsequent to year end the Company raised \$13.97 million (before costs) through the issue of 66,563,008 shares at 21 cents each.

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.



## **DIRECTORS' REPORT (continued)**

### **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.

The Group has 15,458,333 performance rights on issue to directors and senior management, of which 1,500,000 were issued during the year to senior management.

### **Likely developments and expected results**

During the coming year the Group plans to focus on the ongoing development of the Yangibana rare earths project and the evaluation of the Brockman project.

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

- Future capital needs – the Group does not currently generate cash from its operations. The Group will require further funding in order to develop the Yangibana rare earths project, meet its exploration activities on the Brockman project and meet its corporate costs.
- Exploration and developments risks – the Group is currently awaiting Environmental Protection Authority (EPA) approval to allow it to commence construction of the Yangibana rare earths mine. The Brockman project has a resource but needs to undergo further exploration and studies before a determination is made as to its economic viability. The Group employs geologists and other technical specialists, and engages external consultants where appropriate to address this risk.
- Commodity price risk – as a Group 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 Group monitors historical and forecast price information from a range of sources to support its planning and decision making.

### **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 \$17,980 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.

### **Indemnity of auditors**

Hastings Technology Metals Limited has agreed to indemnify their auditors, PricewaterhouseCoopers, to the extent permitted by law, against any claim by a third party arising from Hastings Technology Metals Ltd's breach of their agreement. The indemnity stipulates that Hastings Technology Metals Ltd will meet the full amount of any such liabilities including a reasonable amount of legal costs.

## **DIRECTORS' REPORT (continued)**

### **Proceedings on behalf of the company**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of 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 2018.

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

Mr Charles Lew (Executive Chairman)  
Mr Jean Claude Steinmetz (Non-Executive Director)  
Mr Guy Robertson (Executive Director)  
Mr Andy Border (General Manager Exploration)  
Mr Hannes Zandberg (Project Director)

#### *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

#### *Remuneration Committee*

The Remuneration Committee of the Board of Directors of the Group 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.

#### *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.

## DIRECTORS' REPORT (continued)

### Remuneration report (Audited) (continued)

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 2018 is detailed in the remuneration of directors and named executives section of this report on page 31.

#### *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 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 \$60,000 per annum and the Executive Chairman at \$398,000 per annum. Non-executive director fees over and above \$60,000 per annum are for additional consulting services paid at \$1,000 per day. Executive contract details are as follows:

<b>Name</b>	<b>Position</b>	<b>Directors Fee \$</b>	<b>Other Fees/Salary \$</b>	<b>Termination</b>
Charles Lew	Executive Chairman	120,000	278,000	12 months notice
Jean Claude Steinmetz	Non-Executive Director	60,000	-	3 months notice
Guy Robertson	Finance Director	36,000	84,000 <sup>1</sup>	3 months notice
Hannes Zandberg	Project Director	-	284,700	2 months notice
Andrew Border	General Manager Exploration	-	250,000	3 months notice

<sup>1</sup>Fees as Company Secretary

**DIRECTORS' REPORT (continued)**
**Remuneration report (Audited) (continued)**
**Remuneration of key management and personnel**
**Table 1: Key management personnel remuneration for the year ended 30 June 2018**

	Short-term employee benefits	Annual leave and long service leave	Post- employment benefits	Equity Performance Rights <sup>1</sup>	Total	% Performance Related
	Salary & Fees \$	\$	Superannuation \$	\$	\$	
Mr Charles Lew	324,000	-	-	57,500	381,500	15.0
Mr Jean Claude Steinmetz	165,674	-	-	14,375	180,049	8.0
Mr Guy Robertson <sup>2</sup>	107,000	-	-	5,280	112,280	4.7
Mr Anthony Ho <sup>3</sup>	39,667	-	-	20,378	60,045	33.9
Mr Aris Stamoulis <sup>4</sup>	133,500	-	9,975	2,160	145,635	1.4
Mr Hannes Zandberg <sup>5</sup>	140,000	10,769	13,300	3,391	167,460	2.0
Mr Andy Border	228,311	33,743	21,690	7,200	290,944	2.5
<b>Total</b>	<b>1,138,152</b>	<b>44,512</b>	<b>44,965</b>	<b>110,284</b>	<b>1,337,913</b>	<b>8.2</b>

<sup>1</sup>Performance rights have been granted and valued, however vesting is subject to performance hurdles with the exception of the following amounts which have vested: Mr Robertson \$9,680, Mr Border \$9,680 and Mr Stamoulis \$2,640.

<sup>2</sup>Mr Robertson is paid through Integrated CFO Solutions Pty Ltd, a company in which he has a controlling interest.

<sup>3</sup>Resigned 29 November 2017, <sup>4</sup>Resigned 15 March 2018, <sup>5</sup>Commenced 14 December 2017

**Table 2: Key management personnel remuneration for the year ended 30 June 2017**

	Short-term employee benefits	Annual leave and long service leave	Post- employment benefits	Equity Performance Rights <sup>1</sup>	Total	% Performance Related
	Salary & Fees \$	\$	Superannuation \$	\$	\$	
Mr Charles Lew	250,000	-	-	33,712	283,712	11.9
Mr Anthony Ho	55,000	-	-	8,428	63,428	13.3
Mr Jean Claude Steinmetz	87,408	-	-	8,428	95,836	8.8
Mr Charles Tan <sup>2</sup>	213,494	7,971	18,596	46,200	286,261	16.1
Mr Andy Border	228,311	25,451	21,690	7,466	282,918	2.6
Mr Malcolm Mason <sup>3</sup>	26,667	-	-	-	26,667	-
<b>Total</b>	<b>860,880</b>	<b>33,422</b>	<b>40,286</b>	<b>104,234</b>	<b>1,038,822</b>	<b>10.0</b>

<sup>1</sup>Performance rights have been granted and valued, however vesting is subject to performance hurdles.

<sup>2</sup>Resigned 31 January 2018, <sup>3</sup>Resigned 3 March 2017

During the year, the Group identified that the share based payments were incorrectly valued at grant date. This has been corrected in the table above for the following individuals:

	Originally stated 2017 \$	Adjustment \$	Restated 2017 \$
Charles Lew	75,833	(42,121)	33,712
Jean Claude Steinmetz	18,958	(10,530)	8,428
Anthony Ho	18,958	(10,530)	8,428



**DIRECTORS' REPORT (continued)**  
**Remuneration report (Audited) (continued)**

Shareholders at the 2016 Annual General Meeting approved the grant of 15,000,000 performance rights to Directors. The performance rights were valued based on the share price on grant date discounted for lack of marketability as follows: Tranche A: 3,750,000 at \$0.026, Tranche B: 3,750,000 at \$0.018, Tranche C: 7,500,000 at \$0.0125.

Of these performance rights 1,666,667 rights lapsed during the year on the resignation of a director. 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.

Employee performance rights issued are as follows:

Date granted	Number issued	Value per right	Performance period ended	Vested	Lapsed	Balance 30 June 2018	Expiry Date
14 June 2016	750,000	7.2 cents	30 June 2018	(350,000)	(400,000)	-	30/6/2018
29 June 2017	1,850,000	8.8 cents	30 June 2018	(500,000)	(725,000)	625,000	30/9/2018
26 June 2018	1,000,000	22.5 cents	31 August 2019	-	-	1,000,000	31/12/2018
26 June 2018	500,000	22.5 cents	31 December 2019	-	-	500,000	31/3/2019
	4,100,000			(850,000)	(1,125,000)	2,125,000	

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

**Shareholdings of Key Management Personnel**

	Balance at beginning of period	Purchased	On Vesting of Performance Rights	Other	Balance at end of period
30 June 2018	Ord	Ord	Ord	Ord	Ord
Mr Charles Lew	91,496,893	5,909,909	-	-	97,406,802
Mr Jean Claude Steinmetz	-	520,890	-	-	520,890
Mr Guy Robertson <sup>1</sup>	594,418	296,881	110,000	-	1,001,299
Mr Anthony Ho <sup>2</sup>	4,500,780	100,000	-	(4,600,780)	-
Mr Aristeidis Stamoulis <sup>3</sup>	3,198,445	10,000	30,000	(3,238,445)	-
Mr Hannes Zandberg	-	-	-	-	-
Mr Andy Border	529,069	-	110,000	-	639,069
<b>Total</b>	<b>100,319,605</b>	<b>6,837,680</b>	<b>250,000</b>	<b>(7,839,225)</b>	<b>99,568,060</b>

<sup>1</sup>Director appointed 31 July 2017; <sup>2</sup>Director resigned 29 November 2017; <sup>3</sup>Director resigned 15 March 2018

**DIRECTORS' REPORT (continued)**  
**Remuneration report (Audited) (continued)**

	Balance at beginning of period	Purchased	On Vesting of Performance Rights	Other	Balance at end of period
30 June 2017	Ord	Ord	Ord	Ord	Ord
Mr Charles Lew <sup>1</sup>	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 <sup>2</sup>	5,283,993	-	1,000,000	(6,283,993)	-
<b>Total</b>	<b>98,530,703</b>	<b>7,563,336</b>	<b>4,500,000</b>	<b>(13,788,228)</b>	<b>96,805,811</b>

<sup>1</sup>Restructure of family company removed 7,504,235 shares from director's control

<sup>2</sup>Director resigned 3 March 2017

**Performance rights held by Directors and Key Management Personnel**

No options were issued during the year ended 30 June 2018 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 Group achieving certain milestones.

	Number	Performance period
Mr Charles Lew	10,000,000	28 November 2019
Mr Anthony Ho	833,333	28 November 2019
Mr Jean Claude Steinmetz	2,500,000	28 November 2019

The following performance rights are subject to the individual achieving certain key performance hurdles.

	Number	Performance period
Mr Guy Robertson	150,000	30 June 2018
Mr Andrew Border	150,000	30 June 2018
Mr Hannes Zandberg	500,000	31 December 2019

## DIRECTORS' REPORT (continued)

### Remuneration report (Audited) (continued)

#### Performance Rights

##### 30 June 2018

	Balance at beginning of period	Vested During Period	Granted as remuneration	Lapsed	Balance at end of period
Mr Charles Lew	10,000,000	-	-	-	10,000,000
Mr Anthony Ho	2,500,000	-	-	(1,666,667)	833,333
Mr Jean Claude Steinmetz	2,500,000	-	-	-	2,500,000
Mr Guy Robertson	300,000	(150,000)	-	-	150,000
Mr Hannes Zandberg	-	-	500,000	-	500,000
Mr Andy Border	300,000	(150,000)	-	-	150,000
<b>Total</b>	<b>15,600,000</b>	<b>(300,000)</b>	<b>500,000</b>	<b>(1,666,667)</b>	<b>14,133,333</b>

#### 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)	-	-	-
<b>Total</b>	<b>5,250,000</b>	<b>(4,500,000)</b>	<b>15,600,000</b>	<b>(500,000)</b>	<b>15,850,000</b>

#### Related Party Transactions

	2018 \$	2017 \$
Office and administration costs <sup>1</sup>	83,224	74,346
Capital raising fees <sup>2</sup>	375,000	-

<sup>1</sup>Office and administration costs were paid to Equator Capital Pte Limited, a company in which Mr Charles Lew has an interest. Of this amount \$5,000 (2017: \$8,503) remains payable at 30 June 2018.

<sup>2</sup>During the year the Group paid capital raising fees to Equator Capital Management Limited, a company in which Mr Charles Lew has an interest.

**End of audited remuneration report.**

## DIRECTORS' REPORT (continued)

### 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	Director Meetings		Audit Committee		Remuneration Committee	
	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend
Mr Charles Lew	10	10	1	1	1	1
Mr Anthony Ho	3	3	1	1	-	-
Mr Jean Claude Steinmetz	10	10	1	1	1	1
Mr Guy Robertson	9	9	-	-	1	1
Mr Aristeidis Stamoulis	4	5	-	-	-	-

In addition, 10 circular resolutions were signed by the board during the period.

### Auditor's Independence and Non-Audit Services

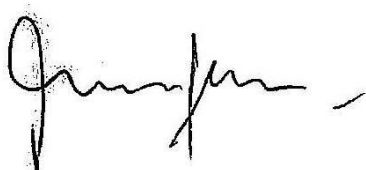
Section 307C of the Corporations Act 2001 requires our auditors, PricewaterhouseCoopers, to provide the directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 37 and forms part of this directors' report for the year ended 30 June 2018.

During the year the Company received approval from the Australian Securities and Investments Commission (ASIC) to change its auditors. PricewaterhouseCoopers (PwC) has been appointed by the board as Hastings' auditor. In accordance with section 327C of the Corporations Act 2001, a resolution will be placed at the 2018 Annual General Meeting to ratify the appointment of PwC as the Company's auditor.

### 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 2018**



## **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 2018 and is available on the Company's website: <http://hastingstechmetals.com.au/corporate-governance>



## *Auditor's Independence Declaration*

As lead auditor for the audit of Hastings Technology Metals Limited for the year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Hastings Technology Metals Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Ben Gargett', written in a cursive style.

Ben Gargett  
Partner  
PricewaterhouseCoopers

Perth  
28 September 2018

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**PricewaterhouseCoopers, ABN 52 780 433 757**

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T: +61 8 9238 3000, F: +61 8 9238 3999, [www.pwc.com.au](http://www.pwc.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Consolidated	
		2018 \$	2017 <sup>1</sup> \$
<b>Continuing operations</b>			
Revenue	2	281,241	196,732
Administration expenses		(506,129)	(268,614)
Directors fees		(596,674)	(354,071)
Occupancy expenses		(148,498)	(141,670)
Employee benefits expense	3	(823,894)	(429,387)
Marketing costs		(19,403)	(112,216)
Legal fees		(84,514)	(8,473)
Consulting and professional fees		(179,865)	(135,173)
Travel expenses		(457,167)	(98,107)
Share based payments		(356,375)	(172,450)
<b>Loss before income tax expense</b>		<b>(2,891,278)</b>	<b>(1,523,429)</b>
Income tax benefit	4	-	-
<b>Net loss for the period</b>		<b>(2,891,278)</b>	<b>(1,523,429)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the period</b>		<b>(2,891,278)</b>	<b>(1,523,429)</b>
Basic and diluted loss per share (cents per share)	5	(0.43)	(0.30)

The accompanying notes form part of these financial statements.

<sup>1</sup>The prior year accounts have been restated as outlined in Note 1 to the Annual Report. The restatement of the 2017 statement of profit or loss has been to increase the basic and diluted loss per share from 0 to 0.3 cents per share.

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2018**

			Consolidated	
	Notes	2018	2017 <sup>1</sup>	2016 <sup>1</sup>
		\$	\$	\$
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	7	20,694,184	4,295,506	2,036,540
Trade and other receivables	9	643,738	433,179	1,022,927
Investments		-	-	8,500,000
<b>Total current assets</b>		<b>21,337,922</b>	<b>4,728,685</b>	<b>11,559,467</b>
<b>Non-current assets</b>				
Plant and equipment	10	5,070,943	25,380	16,707
Deferred exploration expenditure	11	49,454,998	37,287,382	25,408,473
<b>Total non-current assets</b>		<b>54,525,941</b>	<b>37,312,762</b>	<b>25,425,180</b>
<b>Total assets</b>		<b>75,863,863</b>	<b>42,041,447</b>	<b>36,984,647</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	12	7,246,942	3,269,787	1,534,977
Provisions	13	74,332	63,719	-
<b>Total current liabilities</b>		<b>7,321,274</b>	<b>3,333,506</b>	<b>1,534,977</b>
<b>Non-current liabilities</b>				
Employee benefit obligations	13	47,074	-	-
<b>Total non-current liabilities</b>		<b>47,074</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>		<b>7,368,348</b>	<b>3,333,506</b>	<b>1,534,977</b>
<b>Net Assets</b>		<b>68,495,515</b>	<b>38,707,941</b>	<b>35,449,670</b>
<b>Equity</b>				
Issued capital	14	81,231,618	48,811,141	43,997,047
Reserves	14	411,424	190,449	898,205
Accumulated losses		(13,147,527)	(10,293,649)	(9,445,582)
<b>Total Equity</b>		<b>68,495,515</b>	<b>38,707,941</b>	<b>35,449,670</b>

The accompanying notes form part of these financial statements.

<sup>1</sup>The prior years accounts have been restated as outlined in Note 1 to the Annual Report.



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

### Consolidated

	Issued Capital \$	Accumulated Losses \$	Share Based Payment Reserve \$	Total \$
<b>Balance at 1 July 2017</b>	48,811,141	(10,293,649)	190,449	38,707,941
Loss for the year	-	(2,891,278)	-	(2,891,278)
Total comprehensive loss for the year				
Shares issued during the year	33,774,190	-	-	33,774,190
Transaction costs on share issue	(1,451,713)	-	-	(1,451,713)
Share based payments	-	-	356,375	356,375
Transfer from share based payments	98,000	37,400	(135,400)	-
<b>Balance at 30 June 2018</b>	<b>81,231,618</b>	<b>(13,147,527)</b>	<b>411,424</b>	<b>68,495,515</b>
<b>Balance at 1 July 2016</b>	43,997,047	(9,445,582)	898,205	35,449,670
Loss for the year	-	(1,523,429)	-	(1,523,429)
Total comprehensive loss for the year	-	(1,523,429)	-	(1,523,429)
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)	-
<b>Balance at 30 June 2017<sup>1</sup></b>	<b>48,811,141</b>	<b>(10,293,649)</b>	<b>190,449</b>	<b>38,707,941</b>

The accompanying notes form part of these financial statements

<sup>1</sup>The prior year accounts have been restated as outlined in Note 1 to the Annual Report.

# STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	Note	Consolidated	
		2018	2017
		\$	\$
		Inflows/(Outflows)	
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(2,990,321)	(1,289,068)
Interest received		279,207	241,212
Net cash (used in)/provided by operating activities	8	(2,711,114)	(1,047,856)
<b>Cash flows from investing activities</b>			
Payments for exploration and evaluation expenditure		(11,630,119)	(12,132,767)
Payments for investments in term deposits		(12,500,000)	(11,500,000)
Receipts from redemption of investments in term deposits		12,500,000	20,000,000
Payments for plant and equipment		(2,495,975)	(16,799)
Research and development tax offset in relation to exploration assets		1,663,409	2,312,138
Net cash used in investing activities		(12,462,685)	(1,337,428)
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		33,024,190	4,755,000
Payments for share issue costs		(1,451,713)	(145,750)
Advance from shareholder		-	535,000
Repayment of advance		-	(500,000)
Net cash provided by financing activities		31,572,477	4,644,250
Net increase in cash held		16,398,678	2,258,966
Cash and cash equivalents at the beginning of the period		4,295,506	2,036,540
<b>Cash and cash equivalents at the end of the period</b>	7	20,694,184	4,295,506

The accompanying notes form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 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. Hastings Technology Metals Ltd is a for-profit entity for the purpose of preparing the financial statements.

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

#### (b) Restatement of prior year accounts

The Group has recognised an error in its accounting for the research and development income tax offset during the year. The tax offset previously accounted for as an income tax benefit has now been deducted from capitalised exploration expenditure. The impact on the prior year financial statements has been as follows:

Balance sheet (extract)	30 June 2017 \$	Increase/ (Decrease) \$	30 June 2017 Restated \$	30 June 2016 \$	Increase/ (Decrease) \$	30 June 2016 Restated \$
Deferred exploration expenditure	40,595,235	(3,307,853)	37,287,382	27,202,412	(1,793,939)	25,408,473
Net Assets	42,015,794	(3,307,853)	38,707,941	37,243,609	(1,793,939)	35,449,670
Accumulated losses	(6,985,796)	(3,307,853)	(10,293,649)	(7,651,643)	(1,793,939)	(9,445,582)
Total Equity	42,015,794	(3,307,853)	38,707,941	37,243,609	(1,793,939)	35,449,670

Statement of profit or loss (extract)	2017 \$	Loss (increase)/decrease \$	2017 Restated \$
Income tax benefit/ (expense)	(1,513,914)	(1,513,914)	-
Net loss for the year	(9,515)	(1,513,914)	(1,523,429)
Total comprehensive loss for the year	(9,515)	(1,513,914)	(1,523,429)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### (c) Statement of Compliance

The financial report was authorised for issue by the Board on 28 September 2018. The Board has the power to amend the financial statements after their issue.

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).

#### (d) Adoption of new and revised standards

##### Changes in accounting policies on initial application of Accounting Standards

The following Standards and Interpretations listed below were on issue but not yet effective:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
<b>AASB 9 'Financial Instruments' (December 2014)</b>  AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially-changed approach to hedge accounting. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.  The Directors anticipate that the adoption of AASB 9 will not have a significant impact on the Group's financial statements.	1 January 2018	30 June 2019
<b>AASB 15 Revenue from Contracts with Customers</b> AASB 15: <ul style="list-style-type: none"> <li>• Replaces AASB 118 Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations:               <ul style="list-style-type: none"> <li>○ establishes a new revenue recognition model</li> <li>○ changes the basis for deciding whether revenue is to be recognised over time or at a point in time</li> <li>○ provides new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return, warranties and licensing)</li> <li>○ expands and improves disclosures about revenue</li> </ul> </li> </ul> The Group at present has no revenue and as a consequence AASB 15 currently has no impact.	1 January 2018	30 June 2019



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018  
NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

	<b>Effective for annual reporting periods beginning on or after</b>	<b>Expected to be initially applied in the financial year ending</b>
AASB 16 Leases	1 January 2019	30 June 2020
AASB 16:		
<ul style="list-style-type: none"> <li>Replaces AASB 117 Leases and some lease-related Interpretations</li> <li>requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases</li> <li>provides new guidance on the application of the definition of lease and on sale and lease back accounting</li> <li>largely retains the existing lessor accounting requirements in AASB 117</li> <li>requires new and different disclosures about leases</li> </ul>		
The Group has not yet undertaken an assessment as to the impact of AASB 16.		
<i>AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i>		
AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9.	1 January 2018	30 June 2019
Refer to the section on AASB 9 above.		

**(e) 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 2018 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.

The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (f) 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 6 and any resulting impairment is expensed to profit and loss. During the current financial year, no impairment expense (2017-\$Nil) was recognised.

Property, plant and equipment:

The Directors continually assess the Group's property, plant and equipment 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 (2017-\$Nil) was recognised.

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 in the case of options and an external valuation in the case of performance rights, see Note 14.

#### (g) 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 only current source of revenue is interest income.

#### (h) Interest income

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (i) 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.

#### (j) Trade and other receivables

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

Impairment of trade and other 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 Profit or Loss and Other 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.

#### (k) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

Plant and equipment is depreciated over a period ranging from 3 to 10 years and in the case of mining plant over the life of mine, currently projected to be 10 years. The accommodation village currently being constructed is not currently in use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (I) 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.

Group policy has been amended to apply the research and development tax offset received against exploration costs. The impact of the restatement of prior year accounts as set out in note 1 (b) was to reduce exploration costs and increase the loss for the year by \$1,513,914 in 2017, \$934,702 in 2016 \$265,445 in 2014 and \$593,792 in 2013.

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
- 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Income tax (continued)

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.

#### (m) 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.

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.

#### (n) 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 of disposal 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,



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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.

**(o) 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.

**(p) 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.

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.

**(q) Share-based payment transactions**

The Group provides incentives to employees (including senior executives) of the Group in the form of share-based payments, whereby employees receive performance rights over shares which will vest in the event performance hurdles are met (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.

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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

#### (r) 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.

#### (s) 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.

#### (t) 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Research and development tax offsets received are accounted for as a reduction of exploration costs.

#### (u) 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.

#### (v) 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.

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2018

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (w) 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.

#### (x) Foreign currency translation

##### (i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollar (\$), which is Hastings Technology Metals Ltd's functional and presentation currency.

##### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

##### (iii) Group Companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### NOTE 2: REVENUE

#### Revenue

Interest income

Consolidated	
2018	2017
\$	\$
281,241	196,732
281,241	196,732

### NOTE 3: EMPLOYEE BENEFITS EXPENSE

#### Employee benefits expense

Wages and salaries

Superannuation

Payroll tax

Provision for annual and long service leave

Other employee expenses

Geologist and technical costs capitalised

Consolidated	
2018	2017
\$	\$
2,486,472	1,132,843
222,059	105,292
75,339	-
25,965	63,719
49,110	40,241
(2,035,051)	(912,708)
823,894	429,387





## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### NOTE 4: INCOME TAX

	<b>Consolidated</b>	
	<b>2018</b>	<b>Restated 2017</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Income tax expense</b>		
Current tax	-	-
Deferred tax	-	-
	-	-
<b>(b) Income tax recognised in the statement of profit or loss and other comprehensive income</b>		
Loss from ordinary activities before tax	(2,891,278)	(1,523,429)
Income tax using the Company's domestic tax rate of 27.5% (2017:30%)	(795,101)	(418,943)
Share based payments	98,003	47,424
Other non-deductible items	27,461	2,330
Unrecognised tax losses	669,637	369,189
Income tax benefit reported in the consolidated statement of comprehensive income	-	-
<b>(c) Deferred tax balances</b>		
<b>Deferred tax assets comprise:</b>		
Tax losses carried forward	11,244,516	7,801,192
Accrued expenses	44,206	24,397
Share issue costs	558,979	228,207
	11,847,701	8,053,796
<b>Deferred tax liabilities comprise:</b>		
Accrued income	(29,123)	(38,750)
Capitalised exploration costs	(11,818,578)	(8,015,046)
	(11,847,701)	(8,053,796)
<b>(d) Income tax expense not brought to account in equity during the year</b>		
Share issue costs	(399,221)	(40,081)
	(399,221)	(40,081)

### (e) Tax losses

The group has total carried forward tax losses of \$11,914,153 available for offset against future assessable income of the Group. The deferred tax asset in respect of these losses has been used to offset a deferred tax liability. The net deferred tax liability attributable to residual tax losses of \$669,637 has not been brought to account.

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 2018

### NOTE 5: EARNINGS PER SHARE

	2018 Cents per share	Restated 2017 Cents per share
<b>Basic loss per share:</b>		
Continuing operations	(0.43)	(0.30)
The basic loss per share in 2017 has increased from 0 cents to 0.3 cents as a result of the restatement outlined in note 1 (b).		
(i) Loss used in the calculation of total basic loss per share reconciles to net loss in the statement of profit or loss and other comprehensive income as follows:		
Loss used in the calculation of basic loss per share	(2,891,278)	(1,523,429)
Loss used in the calculation of basic loss per share from continuing operations	(2,891,278)	(1,523,429)

#### 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:

The Group has 15,458,333 performance rights on issue, however they are not considered as dilutive as the Group has a loss.

Number of shares	
667,118,626	507,382,666

### NOTE 6: 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 (2) mining leases and through a joint venture comprising six (6) granted Exploration Licences and one (1) 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 2018

### NOTE 6: 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 \$	Unallocated \$	Total \$
<b>30 June 2018</b>				
<b>Revenue</b>				
Interest and other income	-	-	281,241	281,241
Total segment revenue	-	-	281,241	281,241
<b>Expenses</b>				
Exploration expenditure written off	-	-	-	-
Administration	-	-	(3,172,519)	(3,172,519)
Total segment expenses	-	-	(3,172,519)	(3,172,519)
Income tax benefit	-	-	-	-
Segment result	-	-	(2,891,278)	(2,891,278)
Cash flows from operating activities	-	-	(2,711,114)	(2,711,114)
Cash flows from investing activities	(52,949)	(12,024,264)	(385,473)	(12,462,686)
Cash flows from financing activities	-	-	31,572,477	31,572,477
Segment assets	15,171,745	38,975,183	21,716,935	75,863,863
Segment liabilities	-	4,782,850	2,585,498	7,368,348
Acquisition of exploration assets	52,949	13,778,076	-	13,831,025
Acquisition of property, plant and equipment	-	4,692,445	385,473	5,077,918

Interest income of \$281,241 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 2018

### NOTE 6: SEGMENT REPORTING (continued)

Project segments	Brockman Project \$	Yangibana Project \$	Unallocated \$	Total \$
<b>30 June 2017</b>				
<b>Revenue</b>				
Interest and other income	-	-	196,732	196,732
Total segment revenue	-	-	196,732	196,732
<b>Expenses</b>				
Administration	-	-	(1,720,161)	(1,720,161)
Total segment expenses	-	-	(1,720,161)	(1,720,161)
Income tax benefit	-	-	-	-
Segment result	-	-	(1,523,429)	(1,523,429)
Cash flows from operating activities	-	-	(1,047,856)	(1,047,856)
Cash flows from investing activities	(157,277)	(9,663,278)	8,483,201	(1,337,354)
Cash flows from financing activities	-	-	4,644,250	4,644,250
Segment assets	15,118,695	22,168,687	4,754,065	42,041,447
Segment liabilities	-	1,947,074	1,386,432	3,333,506
Acquisition of exploration assets	157,277	13,235,546	-	13,392,823
Acquisition of property, plant and equipment	-	-	16,799	16,799

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

### NOTE 7: CASH AND CASH EQUIVALENTS

	2018 \$	2017 \$
Cash at bank and on hand	2,694,184	3,795,506
Short-term deposits	18,000,000	500,000
	20,694,184	4,295,506

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### Note 7 Cash and cash equivalents (continued)

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 2018, other than the issue of 1,000,000 shares at 20 cents each, in settlement of a supplier invoice of \$200,000, and was not party to any borrowing facilities during the same period.

### NOTE 8: CASH FLOW INFORMATION

#### a) Reconciliation of loss for the year to net cash flows from operating activities

	2018	2017
	\$	\$
(Loss) for the year	(2,891,278)	(1,523,429)
<i>Other non cash items:</i>		
Share based payments expense	356,375	172,450
Depreciation	32,355	8,126
<i>Changes in working capital</i>		
Decrease/(Increase) in trade and other receivables	(210,559)	589,748
Increase in trade and other payables	1,993	503,473
Net cash used in operating activities	(2,711,114)	(249,632)

#### (b) Non-cash investing and financing activities

During the year the Company issued 1,000,000 shares at 20 cents each to a supplier in settlement of an invoice in the amount of \$200,000.

### NOTE 9: TRADE AND OTHER RECEIVABLES

	2018	2017
	\$	\$
Prepayments	164,035	10,011
GST recoverable	435,984	421,562
Interest receivable	43,719	1,606
Trade and other receivables	643,738	433,179

No receivables are impaired or past due but not impaired.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### NOTE 10: PLANT AND EQUIPMENT

	Plant and Equipment	Software	Plant Construction in Progress	Total
<b>Cost</b>				
Opening balance, 1 July 2016	24,598	-	-	24,598
Additions	16,799	-	-	16,799
Closing balance, 30 June 2017	41,397	-	-	41,397
Opening balance, 1 July 2017	41,397	-	-	41,397
Additions	162,423	223,050	4,692,445	5,077,918
Closing balance, 30 June 2018	203,820	223,050	4,692,445	5,119,315
<b>Depreciation</b>				
Opening balance, 1 July 2016	(7,891)	-	-	(7,891)
Depreciation	(8,126)	-	-	(8,126)
Closing balance, 30 June 2017	(16,017)	-	-	(16,017)
Opening balance, 1 July 2017	(16,017)	-	-	(16,017)
Depreciation	(30,205)	(2,150)	-	(32,355)
Closing balance, 30 June 2018	(46,222)	(2,150)	-	(48,372)
Written Down Value 30 June 2017	25,380	-	-	25,380
<b>Written down value 30 June 2018</b>	<b>157,598</b>	<b>220,900</b>	<b>4,692,445</b>	<b>5,070,943</b>

### NOTE 11: DEFERRED EXPLORATION EXPENDITURE

Costs carried forward in respect of areas of interest in the following phases:

#### Exploration and evaluation phase – at cost

	2018 \$	Restated 2017 \$
Balance at beginning of year	37,287,382	25,408,473
Exploration expenditure	13,831,025	13,392,823
Less research and development tax offset	(1,663,409)	(1,513,914)
<b>Total deferred exploration and evaluation expenditure</b>	<b>49,454,998</b>	<b>37,287,382</b>

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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### NOTE 12: TRADE AND OTHER PAYABLES

	2018	2017
	\$	\$
Trade payables <sup>1</sup>	7,246,942	2,798,506
Advance from shareholder <sup>2</sup>	-	535,000
	<b>7,246,942</b>	<b>3,333,506</b>

<sup>1</sup>Trade payables are non-interest bearing and are normally settled on 30-day terms.

<sup>2</sup>The advance from shareholder, a related party, was converted to equity following approval by shareholders at a meeting held on 29 September 2017. The advance is not interest bearing.

### NOTE 13: EMPLOYEE BENEFIT OBLIGATIONS

	Current \$	2018 Non- current \$	Total \$	Current \$	2017 Non- current \$	Total \$
<i>Annual leave</i>						
Opening balance	63,719	-	63,719	-	-	-
Additions	10,613	-	10,613	63,719	-	63,719
Closing Balance	74,332	-	74,332	63,719	-	63,719
<i>Long Service Leave</i>						
Opening balance	-	-	-	-	-	-
Additions	-	47,074	47,074	-	-	-
Closing balance	-	47,074	47,074	-	-	-

### NOTE 14: ISSUED CAPITAL

	2018 \$	2017 \$
<i>Ordinary shares</i>		
At 1 July	48,811,141	43,997,047
Shares issued – share purchase plan	4,390,000	610,000
Shares issued – placement	16,945,000	3,065,000
Shares issued – rights issue	12,239,190	-
Options exercised during the year	-	1,080,000
Shares issued in lieu of supplier payment	200,000	-
Shares issued on vesting of performance rights	98,000	204,844
Less share issue costs	(1,451,713)	(145,750)
At 30 June	<b>81,231,618</b>	<b>48,811,141</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### Note 14 Issued capital (continued)

	2018	2017
	No.	No.
<i>Movements in ordinary shares on issue</i>		
At 1 July	532,159,904	473,816,913
Movements during the period		
Shares issued in lieu of supplier payment (note 8(b))	1,000,000	-
Shares issued on vesting of performance rights	850,000	4,750,000
Shares issued on exercise of options	-	18,000,000
Shares issued – share purchase plan	51,046,512	7,092,991
Shares issued – share placement	86,975,000	28,500,000
Shares issued – rights issue	39,481,259	-
At 30 June	<b>711,512,675</b>	<b>532,159,904</b>

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

	2018	2017
	No.	No.
<i>Movements in share options</i>		
At 1 July	-	18,000,000
Options exercised	-	(18,000,000)
At 30 June	-	-

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

	No. 2018	Weighted average exercise price 2018 \$	No. 2017	Weighted average exercise price 2017 \$
Outstanding at the beginning of the year	-	-	18,000,000	\$0.06
Exercised during the year	-	-	(18,000,000)	\$0.06
<b>Outstanding at the end of the year</b>	-	-	-	-
Exercisable at the end of the year	-	-	-	-

The weighted average fair value of options granted during the year was \$Nil (2017: \$Nil).

The Company has no options outstanding as at 30 June 2018.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### Note 14 Issued capital (continued)

#### Performance Rights

Movements in share based payments reserve were as follows:

	2018 \$	2017 \$
Balance 1 July	190,449	898,205
Performance rights vested – transferred to issued capital	(98,000)	(204,844)
Performance rights lapsed – transferred to accumulated losses	(37,400)	(204,844)
Options exercised – transferred to issued capital	-	(470,518)
Value of performance rights issued during the year	356,375	172,450
Balance 30 June	411,424	190,449

The share based payments reserve is used to record the value of equity benefits provided to employees and directors as part of remuneration.

	2018 No.	2017 No.
Movements in performance rights		
At 1 July	17,600,000	10,250,000
Performance rights issued during the year	1,500,000	16,850,000
Performance rights vested during the year	(850,000)	(4,750,000)
Performance rights lapsed during the year	(2,791,667)	(4,750,000)
At 30 June	15,458,333	17,600,000

#### Valuation of performance rights

Shareholders at the 2016 Annual General Meeting approved the grant of 15,000,000 performance rights to Directors. The performance rights, which are subject to a three-year performance period, were valued based on the share price on grant date discounted for lack of marketability as follows: Tranche A: 3,750,000 at \$0.026, Tranche B: 3,750,000 at \$0.018, Tranche C: 7,500,000 at \$0.0125.

Of these performance rights 1,666,667 rights lapsed during the year on resignation of a director. 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 \$173,333 was recognised for the year ended 30 June 2018 (2017: \$126,950) in relation to these performance rights.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### Note 14 Issued capital (continued)

- i. The movement in employee performance rights during the year is as follows:

Date granted	Number issued	Value per share	Performance period ended	Vested	Lapsed	Balance 30 June 2018
14 June 2016	750,000	7.2 cents	30 June 2018	(350,000)	(400,000)	-
29 June 2017	1,850,000	8.8 cents	30 June 2018	(500,000)	(725,000)	625,000
26 June 2018	1,000,000	22.5 cents	31 August 2019	-	-	1,000,000
26 June 2018	500,000	22.5 cents	31 December 2019	-	-	500,000
	4,100,000			(850,000)	(1,125,000)	2,125,000

Non-market based performance conditions comprise key objectives specific to each employee. The probability of employees achieving performance rights has a range of between 66% and 80%.

An expense of \$183,042 (2017: \$45,500) was recognised during the year in relation to these performance rights.

### NOTE 15: FINANCIAL ASSETS AND FINANCIAL LIABILITIES

#### Financial assets

Receivables

Cash and cash equivalents

#### Financial Liabilities

Trade and other payables

	2018 \$	2017 \$
Receivables	643,738	433,179
Cash and cash equivalents	20,694,184	4,295,506
	21,337,922	4,728,685
Trade and other payables	7,246,942	3,269,787
	7,246,942	3,269,787



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### Financial assets and financial liabilities (continued)

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 \$
<b>2018</b>						
Non-interest bearing		-	-	-	-	-
Variable interest rate instruments	0.4%	2,694,184	-	-	-	-
Fixed interest rate instruments	2.1%	5,000,000	13,000,000	-	-	-
		7,694,184	13,000,000	-	-	-
<b>2017</b>						
Non-interest bearing		-	-	-	-	-
Variable interest rate instruments	0.3%	3,795,506	-	-	-	-
Fixed interest rate instruments	1.7%	500,000	-	-	-	-
		4,295,506	-	-	-	-

### NOTE 16: 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.

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

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

### **NOTE 16: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

#### **(a) Credit risk management**

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties (rated AAA or AA) 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 Group will only deposit funds with financial institutions rate AAA or AA.

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.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### NOTE 16: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Consolidated Group	Within 1 year		1 to 5 years		Over 5 years		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Financial liabilities - due for payment:</i>								
Trade and other payables	<b>7,246,942</b>	3,269,787	74,332	63,719	-	-	<b>7,321,274</b>	3,333,506
<b>Total contractual outflows</b>	<b>7,246,942</b>	3,269,787	<b>74,332</b>	<b>63,719</b>	-	-	<b>7,321,274</b>	3,333,506
Cash and cash equivalents	<b>20,694,184</b>	4,295,506	-	-	-	-	<b>20,694,184</b>	4,295,506
Trade and other receivables	<b>643,738</b>	433,179	-	-	-	-	<b>643,738</b>	433,179
<b>Total anticipated inflows</b>	<b>21,337,922</b>	4,728,685	-	-	-	-	<b>21,337,922</b>	4,728,685
<b>Net inflow/(outflow) on financial instruments</b>	<b>14,090,980</b>	1,458,898	<b>(74,332)</b>	<b>(63,719)</b>	-	-	<b>14,016,648</b>	1,395,179

Management and the Board monitor the Group's liquidity reserve on the basis of expected cash flow. The information that is prepared by senior management and reviewed by the Board includes:

- (i) Annual cash flow budgets;
- (ii) Monthly rolling cash flow forecasts.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### NOTE 16: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### (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 and HSBC. The risk is managed by the Group by maintaining an appropriate mix between short term and medium-term deposits.

The following tables summarise the sensitivity of the Group's financial assets and liabilities to interest rate risk. Had the relevant variables, as illustrated in the tables, moved, with all other variables held constant, post tax profit and equity would have been affected as shown. The analysis has been performed on the same basis for 2018 and 2017.

Consolidated 30 June 2018		Carrying Amount \$	Interest Rate Risk		Interest Rate Risk	
			-1%		+1%	
			Profit	Equity	Profit	Equity
			\$	\$	\$	\$
Financial Assets	Footnote					
Cash and cash equivalents	1	20,694,184	(206,942)	(206,942)	206,942	206,942
Trade and other receivables	2	643,738	-	-	-	-
Financial Liabilities						
Trade and other payables	3	7,246,942	-	-	-	-
Total increase / (decrease)						

Consolidated 30 June 2017		Carrying Amount \$	Interest Rate Risk		Interest Rate Risk	
			-1%		+1%	
			Profit	Equity	Profit	Equity
			\$	\$	\$	\$
Financial Assets	Footnote					
Cash and cash equivalents	1	4,295,506	(42,955)	(42,955)	42,955	42,955
Trade and other receivables	2	433,179	-	-	-	-
Financial Liabilities						
Trade and other payables	3	3,269,578	-	-	-	-
Total increase / (decrease)						

1. Cash and cash equivalents are denominated in AUD include deposits at call at floating and short-term fixed interest rates.
2. Trade and other receivables are denominated in AUD and are not interest bearing.
3. Trade and other payables at balance date are denominated mainly in AUD and are not interest bearing.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### NOTE 16: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### (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 17: COMMITMENTS AND CONTINGENCIES

#### Remuneration Commitments

The Group has a contract with the Executive Chairman with remuneration of \$278,000 (excluding directors fees of \$120,000) which can be terminated by either party by giving 12 months' notice. The Company has entered into employment contracts with termination periods of between one and three months. 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 2018 (2017-Nil).

#### Western Australian Projects

The Group has minimum expenditure commitments on its beneficially owned Western Australian granted tenements.

The consolidated group currently has commitments for expenditure as at 30 June 2018 on its Australian exploration tenements as follows:

	2018	2017
	\$	\$
Not later than 12 months	1,075,191	892,450
Between 12 months and 5 years	2,902,871	2,612,550
Greater than 5 years	6,571,304	7,030,792
	10,549,366	10,535,792

The Company leases offices under non-cancellable operating leases expiring within three to four years.

Commitments for minimum lease payments in relation to non-cancellable operating leases as at 30 June 2018 were \$70,000 and following a new lease signed subsequent to year end were payable as follows:

Not later than 12 months	391,150	-
Between 12 months and 5 years	495,547	-
Greater than 5 years	-	-
	886,698	-

Commitments for construction contracts entered into as at 30 June 2018 amounted to \$7,910,362 (2017: Nil).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### NOTE 18: DIVIDENDS

The directors of the Group have not declared any dividend for the year ended 30 June 2018 (2017: Nil).

### NOTE 19: CONTINGENT LIABILITIES

There are no contingent liabilities at year end.

### NOTE 20: EVENTS SUBSEQUENT TO REPORTING DATE

On 15 August 2018 the Company placed 66,563,008 shares at 21 cents each to raise \$13.97 million before costs.

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 21: AUDITOR'S REMUNERATION

The auditor of Hastings Technology Metals Ltd is PricewaterhouseCoopers (previously HLB Mann Judd).

*Amounts received or due and receivable by PricewaterhouseCoopers for:*

An audit or review of the financial reports

*Amounts received or due and receivable by HLB Mann Judd for:*

An audit or review of the financial reports

Taxation compliance and advisory

2018	2017
\$	\$
40,750	-
15,000	39,830
7,515	6,000
63,265	45,830

During the year the Company received approval from the Australian Securities and Investments Commission (ASIC) to change its auditors. PricewaterhouseCoopers (PwC) has been appointed by the board as Hastings' auditor. In accordance with section 327C of the Corporations Act 2001, a resolution will be placed at the 2018 Annual General Meeting to ratify the appointment of PwC as the Company's auditor.

### NOTE 22: DIRECTORS AND EXECUTIVES DISCLOSURES

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

	2018	2017
	\$	\$
Short term benefits	1,182,664	894,302
Post-employment benefits	44,965	40,286
Performance rights	110,284	104,234
	1,337,913	1,038,822



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### NOTE 23: 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	Functional Currency	% Equity Interest		Investment (\$)	
			2018	2017	2018	2017
Brockman Project Holdings Pty Ltd	Australia	A\$	100%	100%	4,000,000	4,000,000
Gascoyne Metals Pty Ltd	Australia	A\$	100%	100%	2,050,000	2,050,000
Yangibana Pty Ltd (Note 24)	Australia	A\$	100%	100%	85,000	85,000
Hastings Technology Metals (Asia) Limited	Hong Kong	HK\$	100%	100%	100	100
Hastings Technology Metals Pte Ltd	Singapore	S\$	100%	-	99,602	-

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

	2018 \$	2017 \$
Office rental and administration expenses <sup>1</sup>	83,224	74,346
Capital raising fees <sup>2</sup>	375,000	-

<sup>1</sup>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.

<sup>2</sup>During the year the Group paid capital raising fees with respect to an underwritten rights issue of \$375,000 to Equator Capital Management Limited, a company in which Mr Charles Lew has a minority interest.

	2018 \$	2017 \$
Advance from Mr Charles Lew <sup>1</sup>	-	535,000

<sup>1</sup>See Note 12. In 2017 Mr Charles Lew subscribed for 5,000,000 shares at 11 cents per share subject to shareholders approval. Against this amount is offset \$15,000 which Mr Lew subscribed for in a share purchase plan but which was not received as at 30 June 2017. The shareholder approval for the purchase of the 5,000,000 shares was received on 29 September 2017 and the \$15,000 was received in January 2018.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### NOTE 24: PARENT ENTITY DISCLOSURES

	Company	
	2018 \$	2017 \$
<b>Assets</b>		
Current assets	21,279,177	4,728,480
Non-current assets	54,571,894	38,120,486
Total assets	75,851,071	42,848,966
<b>Liabilities</b>		
Current liabilities	7,357,672	3,333,506
Non-current liabilities	47,074	-
Total liabilities	7,404,746	3,333,506
<b>Net Assets</b>	68,446,325	39,515,460
<b>Equity</b>		
Issued capital	81,231,618	48,811,141
Option reserve	411,424	190,449
Accumulated Losses	(13,196,717)	(9,486,130)
Total Equity	68,446,325	39,515,460
<b>Financial performance</b>		
Loss for the year	(2,888,751)	(1,523,429)
Other comprehensive income	-	-
Total comprehensive loss	(2,888,751)	(1,523,429)

#### Contingent liabilities of the parent entity

For details on contingent liabilities, see Note 19.

#### Commitments of the parent entity

The parent entity has tenement commitment obligations of \$Nil (2017 : \$137,833) as at 30 June 2018, and office lease commitments of \$70,000. Subsequent to year end the Company signed a three year office lease with a commitment of \$714,463. All tenements have been transferred to a subsidiary company, Gascoyne Metals Pty Ltd.

The Company has a consulting contract with Equator Capital Pte Limited, a company in which the Executive Chairman, Mr Charles Lew has an interest, which can be terminated by giving 12 months and employee contracts that can be terminated by giving notice of between one and three months' notice.

### NOTE 25: INTEREST IN JOINT OPERATION

The Group has a 70% interest in the Yangibana-REM joint venture (2017: 70%), which is involved in exploration, development and exploitation of rare metal resources in the Gascoyne region of Western Australia. For joint venture tenements see Tenement Schedule (page 24). The Group is the manager of and is sole funding the joint venture up until a decision to commission a Bankable Feasibility Study.

Refer to Note 17 for details on capital commitments and guarantees. There were no impairment losses in the jointly controlled operation.

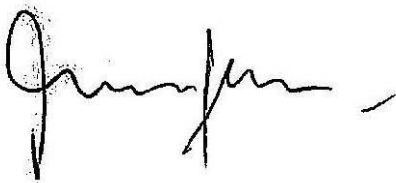
## **DIRECTORS' DECLARATION**

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 38 to 71, 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 2018 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 2018.

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 2018**



## *Independent auditor's report*

To the members of Hastings Technology Metals Ltd

### *Report on the audit of the financial report*

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#### *Our opinion*

In our opinion:

The accompanying financial report of Hastings Technology Metals Ltd (the Company) and its controlled entities (together 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 2018 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### ***What we have audited***

The Group financial report comprises:

- the statement of financial position as at 30 June 2018
- the statement of profit or loss and other comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

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

#### ***Independence***

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.

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**PricewaterhouseCoopers, ABN 52 780 433 757**

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T: +61 8 9238 3000, F: +61 8 9238 3999, [www.pwc.com.au](http://www.pwc.com.au)

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### *Our audit approach*

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

The Group is a mineral explorer and developer with rare earths projects in Western Australia.



#### ***Materiality***

- For the purpose of our audit we used overall Group materiality of \$810,000, which represents approximately 1% of the Group's total assets.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose the Group's total assets because, in our view, it is the benchmark against which the performance of the Group is most commonly measured whilst in the exploration and development phase.
- We utilised a 1% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.

#### ***Audit Scope***

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- The Group's operational and financial processes are managed by a corporate function in Perth, where substantially all of our audit procedures are performed.

## *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 for the current period. The key audit 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. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit Committee.

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<p><b><i>Basis of preparation of the financial report</i></b></p> <p>The Group is in the exploration and evaluation phase and therefore does not generate revenue from its operations and relies on funding from its shareholders or other sources to continue as a going concern. These funds are used to meet expenditure requirements to maintain the good standing of the Group's tenements, progress project feasibility studies, and to cover corporate overheads.</p> <p>In determining the appropriateness of their going concern basis of preparation of the financial report, the Group made a number of judgements, including expenditure required to progress the Group's projects and the minimum corporate overhead expenditure required to continue operations.</p> <p>Assessing the appropriateness of the Group's basis of preparation for the financial report was a key audit matter due to its importance to the financial report and the judgement involved in forecasting future cash flows for a period of at least 12 months from the date of the financial report.</p>	<p>In assessing the appropriateness of the going concern basis of preparation for the Group's financial report we performed the following procedures, amongst others:</p> <ul style="list-style-type: none"> <li>• Evaluated the appropriateness of the Group's assessment of its ability to continue as a going concern, including whether the period covered is at least 12 months from the date of the financial report and that relevant information of which we are aware as a result of the audit has been included in the assessment.</li> <li>• Inquired of management and the directors whether they were aware of any events or conditions, including beyond the period of assessment, which may cast significant doubt on the Group's ability to continue as a going concern.</li> <li>• Compared the key underlying data and assumptions in the Group's cash flow forecast to approved budgets and historical cash outflows. This includes an assessment of the reasonableness of exploration and evaluation expenditure for the forecast period by comparing forecast expenditure to minimum annual expenditure commitments for each tenement as listed on the Western Australian Department of Mines, Industry Regulation and Safety's Mineral Titles Online database and the completeness of contractual commitments over the forecast period.</li> <li>• Discussed the Group's various options for raising additional funds with management and the directors. This included tracing the cash received by the Group from a share placement subsequent to 30 June 2018 to bank statements.</li> </ul>



<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
<p><b>Share Based Payments</b> (Refer to note 14)</p> <p>The Group provides benefits to directors and other Key Management Personnel (KMP) in the form of share-based payments, whereby KMP render services in return for rights over shares (performance rights). These share-based payment transactions are classified by the Group as equity settled share base payment transactions.</p> <p>The accounting for share-based payments was a key audit matter because of the magnitude of the share based payments expense and the judgement involved in determining the value of the performance rights using financial models.</p>	<p>We performed the following procedures, amongst others:</p> <ul style="list-style-type: none"> <li>• Compared the terms and conditions in the signed agreements for all performance rights issued to KMP during the financial year to those included in the share based payment expense calculations.</li> <li>• Ascertained whether the key inputs used in the calculations were appropriate for the performance rights valuation models by agreeing to supporting documentation and that the expense is recognised over the appropriate vesting period.</li> <li>• Assessed the reasonableness of the fair value calculation through re-performing the calculation and performing sensitivity analysis of the assumed share price volatility used in the Group's calculation.</li> <li>• Evaluated the adequacy of disclosures made by the Group in the financial report in light of the requirements of Australian Accounting Standards.</li> </ul>
<p><b>Carrying amount of deferred exploration expenditure</b> (Refer to note 11)</p> <p>As at 30 June 2018 the Group recognised deferred exploration expenditure totalling \$49,454,998 on the statement of financial position relating to the Brockman, Gascoyne and Yangibana projects.</p> <p>Judgement was required by the Group to assess whether there were indicators of impairment of the deferred exploration expenditure due to the need to make estimates about future events and circumstances, such as whether the mineral resources may be economically viable to mine in the future.</p> <p>This was a key audit matter because of the size of the balance and judgement in considering the risk of impairment of the assets should results of exploration activities not be positive.</p>	<p>We performed the following procedures, amongst others:</p> <ul style="list-style-type: none"> <li>• Evaluated the Group's assessment that there had been no indicators of impairment for its deferred exploration expenditure assets, including performing inquiries with management and directors to develop an understanding of the current status and future intentions for the Group's exploration projects.</li> <li>• Tested whether the Group retained right of tenure for its exploration licence areas by obtaining licence status records from relevant government databases.</li> <li>• Obtained management's exploration expenditure forecasts supporting their assessment and compared these to the approved budgets and future cash flow forecasts of the Group.</li> </ul>



<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
<p><b>Accounting for Research and Development (R&amp;D) tax credits</b> (Refer to note 1(b))</p> <p>During the year the Group received \$1,660,202 from the Australian Tax Office in respect of an R&amp;D tax credit for the 2017 year. The group has also received amounts relating to R&amp;D tax credits totalling \$3,307,853 over the preceding four years.</p> <p>These amounts had been previously recognised in the statement of profit or loss and other comprehensive income as a credit to tax expense, however as the Group's accounting policy is to defer exploration expenditure, the R&amp;D tax credits should be recorded as an offset to the capitalised amount on the statement of financial position.</p> <p>The previous accounting treatment was identified as an error and has been corrected in the current financial statements. The accounting for R&amp;D tax credits was a key audit matter due to the magnitude of the balance and prior period restatements required to reflect the requirements of Australian Accounting Standards.</p>	<p>We performed the following procedures, amongst others:</p> <ul style="list-style-type: none"><li>• Obtained supporting documentation, including bank statements, to corroborate the quantum of the current and prior years R&amp;D tax credits received.</li><li>• Reviewed prior year financial statements to obtain an understanding of the amounts historically recognised directly in tax expense.</li><li>• Tested the mathematical accuracy of the adjustment to the prior period error and evaluated compliance with the requirements of Australian Accounting Standards.</li><li>• Evaluated the adequacy of disclosures of the prior period error in the financial report in light of the requirements of Australian Accounting Standards.</li></ul>

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### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2018, including the Corporate Information, Letter from the Chairman, Review of Operations, Annual Ore Reserves and Mineral Resources Statement, Tenement Schedule as at 30 June 2018, Directors' Report, Corporate Governance Statement and Additional Shareholder information, 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 identified above 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.

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### *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.

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### *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 the 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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar1.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf). This description forms part of our auditor's report.

### *Report on the remuneration report*

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#### *Our opinion on the remuneration report*

We have audited the remuneration report included in pages 29 to 34 of the directors' report for the year ended 30 June 2018.

In our opinion, the remuneration report of Hastings Technology Metals Ltd for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*.

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### *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.



PricewaterhouseCoopers



Ben Gargett  
Partner

Perth  
28 September 2018

## 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 15 September 2018:

1	LEW FOON KEONG		97,406,802	12.52%
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#### 2. Number of holders in each class of equity securities and the voting rights attached (as at 15 September 2018)

##### Ordinary Shares

There are 1,200 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 15 September 2018.

##### a) Fully Paid Ordinary Shares

SPREAD OF HOLDINGS	HOLDERS	UNITS	% OF ISSUED CAPITAL
NIL Holding	0	0	0.00
1-1,000	74	5,515	0.00
1,001-5,000	197	664,833	0.09
5,001-10,000	227	1,833,202	0.24
10,001-100,000	510	19,781,499	2.54
Over 100,000	192	755,790,634	97.14
	1,200	778,075,683	100.00

There are 141 shareholders with less than a marketable parcel.

## 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 15 September 2018) is as follows:

#### Ordinary Shares Top 20 holders and percentage held

**HASTINGS TECHNOLOGY METALS LTD FULLY PAID**  
**Top 20 Listing**  
**Date - 15/09/2018**

Rank	Holder Name	Designation	Securities	%
1	HSBC CUSTODY NOM AUST LTD		213,609,699	27.45%
2	CITICORP NOM PL		111,726,032	14.36%
3	J P MORGAN NOM AUST LTD		87,893,569	11.30%
4	LEW FOON KEONG		78,523,400	10.09%
5	THOONG CHONG WAI		26,176,470	3.36%
6	HSBC CUSTODY NOM AUST LTD		23,021,361	2.96%
7	CHANG MUN KEE		22,513,683	2.89%
8	HSBC CUSTODY NOM AUST LTD	EUROCLEAR BANK SA	14,548,838	1.87%
9	BNP PARIBAS NOMS PL	DRP	13,729,799	1.76%
10	STEINMETZ HENRI		11,267,150	1.45%
11	NATIONAL NOM LTD	DB A/C	9,299,065	1.20%
12	LEE CHOON HUAT		7,576,876	0.97%
13	TONG HOW SENG		5,450,000	0.70%
14	BNP PARIBAS NOMS PL	UOB KAY HIAN PRIV	5,124,418	0.66%
15	MANIGART JEAN-JACQUES		4,500,000	0.58%
16	BNP PARIBAS NOM PL	IB AU NOMS RETAILC	4,321,928	0.56%
17	GUEST JAMES VINCENT C		4,037,416	0.52%
18	MELDA SUPER PL	MELDA S/F A/C	4,024,418	0.52%
19	HARKIN WILLIAM PATRICK		3,595,000	0.46%
20	CHIN GEORGE HAM WAI		3,480,000	0.45%
		TOP 20 TOTAL	654,419,122	84.11%

**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 8, Westralia Plaza 167 St Georges Terrace  
Perth WA 6000 Australia  
Telephone: +61 (8) 6117 6118

**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.