

28 March 2019

Mr Daniel Nicholson
Senior Adviser
ASX Compliance Pty Ltd
Level 40, Central Park
152-158 St Georges Tce
Perth WA 6000

Dear Daniel,

Hastings Technology Metals Ltd ("HAS"): Aware Query

In response to your letter dated 27 March 2019, we respond as follows:

1. *Does HAS consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?*

No. Although the Information was marked as price sensitive when announced, this was in error. As there is no commitment by NAIF to offer any funding and that there is no certainty an agreement will be reached, HAS's announcement on the 27 March 2019 is not expected to have a material effect on the price or value of its securities.

2. *If the answer to question 1 is "no", please advise the basis for that view.*

The information does not state any commitment on funding, but that HAS and NAIF are commencing investigations to look at project viability before any decision to progress is made to consider funding.

3. *When did HAS first become aware of the Information? In answering this question, please specifically address:*

- 3.1 *When did HAS first become aware that NAIF was investing the potential to provide debt finance for the Yangibana Project?*

NAIF and HAS met last Friday 22nd March 2019 in Sydney. At the meeting, NAIF indicated that they will consider looking at investigation of the project, and invited Hastings to submit an application for investment proposal. We received follow up correspondence that evening and on the 25th March on the requirements necessary for this.

- 3.2 *When did HAS commence preparing its investment proposal for NAIF's consideration?*

HAS commenced preparing its investment proposal for NAIF on Monday, 25th March 2019 following receipt of NAIF's email stating the next steps and requirements, and having exchanged emails on clarification matters for a day.

4. *If the answer to question 1 is “yes” and HAS first became aware of the Information before 27 March 2019 (being the date of the Announcement), did HAS make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe HAS was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps HAS took to ensure that the information was released promptly and without delay.*

No announcement was made prior to the 27 March 2019 as NAIF have an internal confidential government approval process for ASX releases. HAS had to wait until NAIF’s clearance was provided, and once received immediately announced it to the market on the 27 March 2019. As there is no commitment by NAIF to offer any funding and that there is no certainty an agreement will be reached, HAS’s announcement on the 27 March 2019 is not expected to have a material effect on the price or value of its securities.

5. *Please confirm that HAS is complying with the Listing Rules and, in particular, Listing Rule 3.1*

Yes. The Board is of the view that the increase in HAS’s share price and the significant increase in the volume of HAS’s securities traded on the 26 March 2019 reflects Wesfarmers Ltd’s announced hostile bid for Lynas Corporation Ltd on the day. As a result of the hostile bid all publicly listed stock in the sector rose. HAS is the next rare earth mining stock (outside of China) coming into production in 2 years’ time and therefore rose significantly.

6. *Please confirm that HAS’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of HAS with delegated authority from the board to respond to ASX on disclosure matters.*

Yes

The responses to the questions above have been approved by the Board.

Yours faithfully,



Neil Hackett

Non-Executive Director and Company Secretary

27 March 2019

Messers Neil Hackett and
Mr Hidio Jackson
Hastings Technology Metals Ltd

By email: neil.hackett@hastingstechmetals.com; hidio.jackson@hastingstechmetals.com

Dear Messers Hackett and Jackson

Hastings Technology Metals Ltd ('HAS'): Aware Query

ASX refers to the following:

- A. HAS's announcement entitled *"NAIF Reviewing Yangibana Project for Funding Possibilities"* lodged on the ASX Market Announcements Platform and released at 08:22 AM on 27 March 2019 (the 'Announcement'), disclosing, among other things, the following:

"Hastings Technology Metals is pleased to advise that the Australian Government's Northern Australia Infrastructure Facility (NAIF) has indicated it will further investigate the potential for NAIF to provide debt finance for the Yangibana Rare Earths Project ("Yangibana Project")"

and

"Hastings has commenced the process of preparing its Investment Proposal for NAIF's consideration and this represents a major milestone in Hastings engagement with NAIF and in potentially securing debt finance for the project. NAIF has not yet made any decision to offer debt finance and there is no certainty that an agreement will be reached between the parties."

("Information")

- B. The change in price of the Company's securities from a low of \$0.175 at close on Monday, 25 March 2019, to a high of \$0.205 on Tuesday, 26 March 2019, and the significant increase in the volume of HAS's securities traded between 25 March and 26 March 2019.
- C. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- D. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."

- E. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- It would be a breach of a law to disclose the information;*

- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed."*

F. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

Request for Information

Having regard to the above, ASX asks HAS to respond separately to each of the following questions and requests for information:

1. Does HAS consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view.
3. When did HAS first become aware of the Information? In answering this question, please specifically address:
 - 3.1 When did HAS first become aware that NAIF was investing the potential to provide debt finance for the Yangibana Project?
 - 3.2 When did HAS commence preparing its investment proposal for NAIF's consideration?
4. If the answer to question 1 is "yes" and HAS first became aware of the Information before 27 March 2019 (being the date of the Announcement), did HAS make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe HAS was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps HAS took to ensure that the information was released promptly and without delay.
5. Please confirm that HAS is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that HAS's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of HAS with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **5:00 PM AWST Friday, 29 March 2019**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, HAS's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph and may require HAS to request a trading halt immediately.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to HAS's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that HAS's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Suspension

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in HAS's securities under Listing Rule 17.3.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours faithfully

Daniel Nicholson
Adviser, Listings Compliance (Perth)