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BOARD APPROVES COMMENCEMENT OF PRE-FEASIBILITY STUDY AND MINING LEASES APPLIED FOR AT YANGIBANA

HIGHLIGHTS

- **Board approves the commencement of a Pre-Feasibility Study (PFS) for the Yangibana Project**
- **PFS work programmes in planning**
- **Applications made for three Mining Leases at Yangibana covering the bulk of the recently-announced JORC resources**

Hastings Rare Metals Limited (**ASX:HAS**) completed a remarkable 2014 culminating with the Board's decision to proceed with a Pre-Feasibility Study for the Yangibana Rare Earths Project (the Project) in the Gascoyne Region of Western Australia. Work programmes and schedules, including major drilling, metallurgical and environmental programmes, for the development of the Pre-Feasibility Study for the Project are being refined.

To progress the Project, application has been made for three Mining Leases from within the existing Exploration Licences, covering the recently defined JORC resources.

Pre-Feasibility Study

Good progress has been made in a number of areas towards completing a Pre-Feasibility Study for the Yangibana Rare Earths Project. The PFS is due for completion by the end of Q2 2016.

- Environmental consultants have completed an initial site visit and have met with government agencies to establish the regulatory requirements for the project.

- Metallurgical test work is continuing and provided encouraging results from flotation tests on samples from Yangibana North, and has commenced on samples from Bald Hill South. In addition, magnetic separation and gravity tests have commenced on samples from Bald Hill South.
- Drill programmes to establish JORC Measured Resources at certain prospects and to increase the overall resources within the project are being developed.

Mining Lease Applications

Application has been made for three Mining Leases that cover the majority of the JORC resources reported by the Company[1]. These Mining Lease applications are confined within existing Exploration Licences in which the Company holds varying interests. Table 1 provides details of the applications and Figure 1 shows the location of the applications with respect to the defined resources and existing tenements.

Mining Lease Name	Application in name of	Area (hectares)	Contained Resources
Bald Hill South	Gascoyne Metals Pty Limited*	288.2141	Bald Hill South
Frasers	Karramindie Pty Limited**	534.5159	Frasers
Yangibana Main	GTI Limited 70%, Gascoyne Metals Pty Limited 30%***	1465.7818	Yangibana North Gossan Lion's Ear Hook Kane's Gossan

Table 1 – Yangibana Project, details of initial Mining Lease Applications

*** Gascoyne Metals Pty Limited is a 100%-owned subsidiary of Hastings Rare Metals Limited.**
**** Karramindie Pty Limited is a 95%-owned subsidiary of Hastings Rare Metals Limited.**
***** This MLA covers portions of Exploration Licences E09/1043 and E09/1706 that are part of the Yangibana Joint Venture between Hastings Rare Metals 70% and Rare Earth Minerals plc 30%. The title is currently being transferred.**

[1] See ASX Announcement 10 November 2014

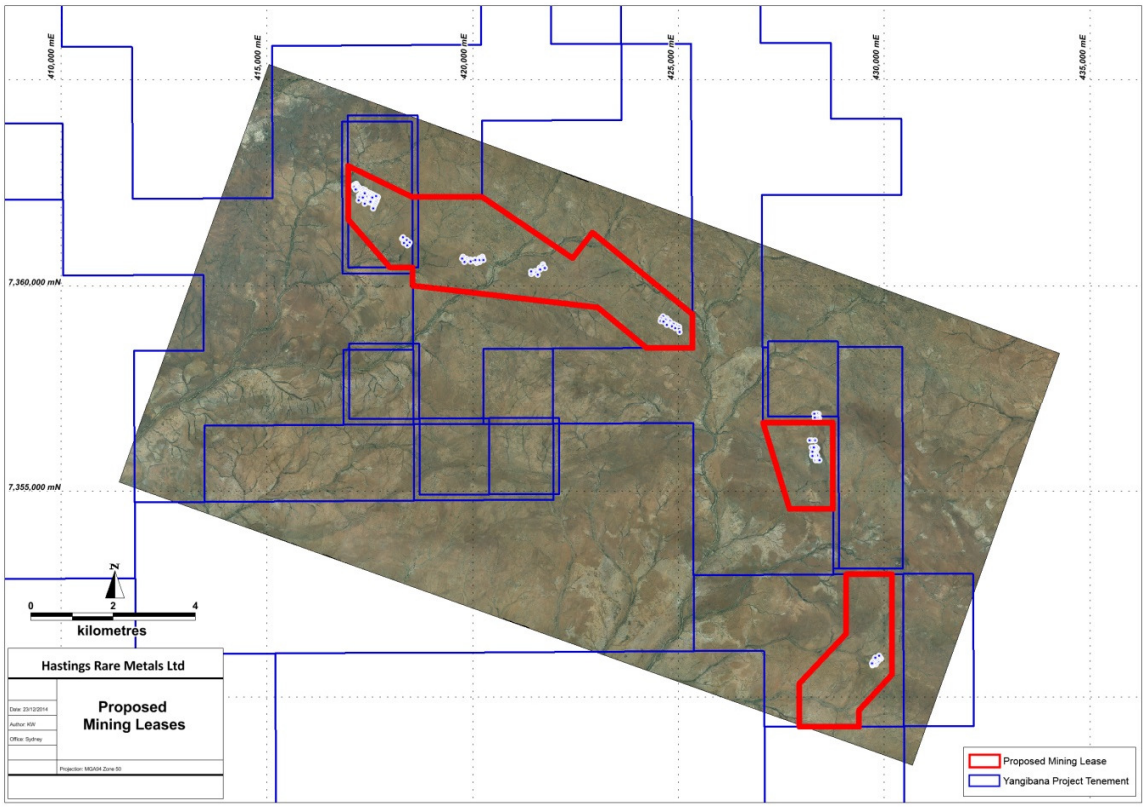

Figure 1 – Yangibana Project, Plan showing initial Mining Lease Applications

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*** 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).

About Hastings Rare Metals

- Hastings Rare Metals is a leading Australian rare earths company, with two rare earths projects in Western Australia.
- The Yangibana deposit is at an advanced stage of evaluation and contains JORC Indicated and Inferred Resources totalling 6.79 million tonnes at 1.52% TREO, including 0.69% Nd_2O_3-Eq (comprising 3.96 million tonnes at 1.59% TREO Indicated Resources and 2.83 million tonnes at 1.43% TREO in Inferred Resources).
- The Brockman project contains JORC Indicated and Inferred Resources totalling 36.2 million tonnes at 0.21% TREO, including 0.18% HREO, plus 0.89% ZrO_2 and 0.35% Nb_2O_5.
- Rare earths are critical to a wide variety of current and new technologies, including smart phones, hybrid cars, wind turbines and energy efficient light bulbs.
- The Hastings deposit contains predominantly heavy rare earths (HREO) (85%), such as dysprosium and yttrium which are substantially more valuable than the more common light rare earths (LREO).
- The company aims to capitalise on the strong demand for heavy rare earths created by expanding new technologies. It is currently validating the extensive historical work and undertaking further scoping study to confirm economics.

Competent Person's Statement

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

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

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