Yangibana Neodymium-Praseodymium Project
Western Australia

Project Presentation | March 2015

Hastings Rare Metals Limited

Disclaimer

All currency amounts are in AUD$ unless stated otherwise.

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Exploration Targets

The terms "Target" or "Exploration Target" where used in this presentation should not be misunderstood or misconstrued as an estimate of a Mineral Resource as defined in this context. Exploration Targets are conceptual in nature, there has been insufficient exploration to define a Mineral Resource and it is uncertain further exploration will result in the determination of a Mineral Resource.

Competent Persons' Statement

The information in this presentation 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 presentation 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 report 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 presentation of the matters based on his information in the form and context in which it appears.

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Strong board and management

Charles Lew

Chairman

- Founder of Equator Capital
- Director of RHB Investment Bank
- Over 25 years experience in investment banking

Tony Ho

Non Executive Director & Chair of Audit Committee

- Director of Bioxyne, Greenland Minerals, and Apollo Minerals
- Over 35 years in senior corporate with Brazin, Yates and Dolomatrix management

Malcolm Mason

Non Executive Director

- +45 years experience in Australian and international exploration and mining
- Experience covers rare earths, uranium, gold and base metals

Guy Robertson

Chief Financial Officer & Company Secretary

- +25 years CFO experience
- Former senior finance executive with Jardine Lloyd Thompson, Colliers, Franklins

Andy Border

General Manager Exploration

- +35 years experience as a geologist
- Rare earths, copper, gold and industrial minerals

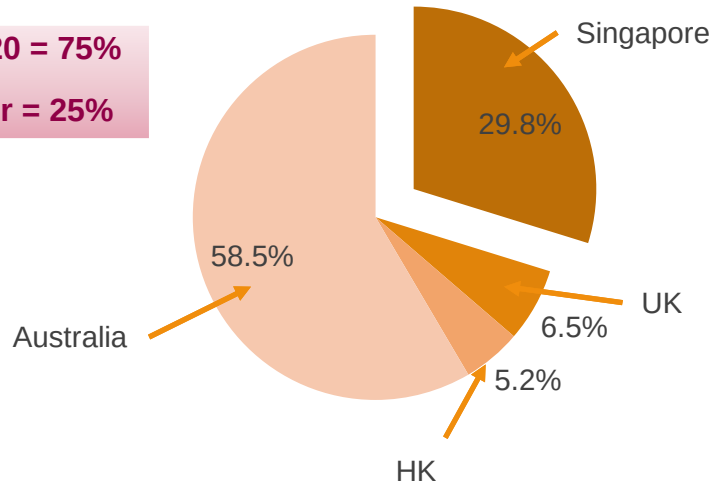
HAS shareholder base

Existing shareholders*

Shareholders

Top 20 = 75%

Other = 25%



Shares on issue	**384 million**
Unlisted options	**27 million**
Market capitalisation (at 7.5c)	**$20 million**
Cash (December 2014)*	**$7.5 million**

*Additional $2 million raised January 2015

- HAS enjoys strong shareholder support in Asia

Introduction to Hastings' Yangibana Project

Leading Australian Rare Earths Company

Established JORC Resources

Scoping Study completed

Increasing global demand for Nd and Pr into the RE Magnets sector

Limited global supply and strategically valuable commodity

Experienced management team

- **Hastings Rare Metals Limited (ASX: HAS) manages and owns 70-100% of the Yangibana Project in the Gascoyne Region of Western Australia**
- **Yangibana contains predominance of rare earths Neodymium, Praseodymium, Dysprosium and Europium**
- **Yangibana JORC Resource 6.8 million tonnes at 1.5% TREO containing 23,500 tonnes Nd_2O_3, 6,600 tonnes Pr_2O_3, 360 tonnes Dy_2O_3 and 625 tonnes Eu_2O_3 in 103,000 tonnes TREO**
- **Hastings has a highly experienced management team with a solid financial and technical background and >20 years combined experience in rare earths industry**
- **Situated in a stable mining friendly jurisdiction with a wealth of expertise readily available and a long history of successful exploitation and export of mineral commodities**

Hastings Rare Metals Limited - Year 2014

Feb 14: **Strategic Plan:**

1. To seek out and put an Australian Rare Earths deposit into production.

2. First investigate Yangibana Project.

Apr-Nov 14: **Continuing Exploration Successes:**

Drilling, JORC Resources, Metallurgy

Nov 14: **Positive Scoping Study results**

Jan 2015: **Successful fundraising of A$8.5m**

Pre-Feasibility Study Initiated

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Brief Introduction to Rare Earths

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Uses of Rare Earths

HAS target is a niche supply market outside of China for Neodymium, Praseodymium, Dysprosium and Europium

"The list of things that contain Rare Earths is endless"

Benefits of using Rare Earths

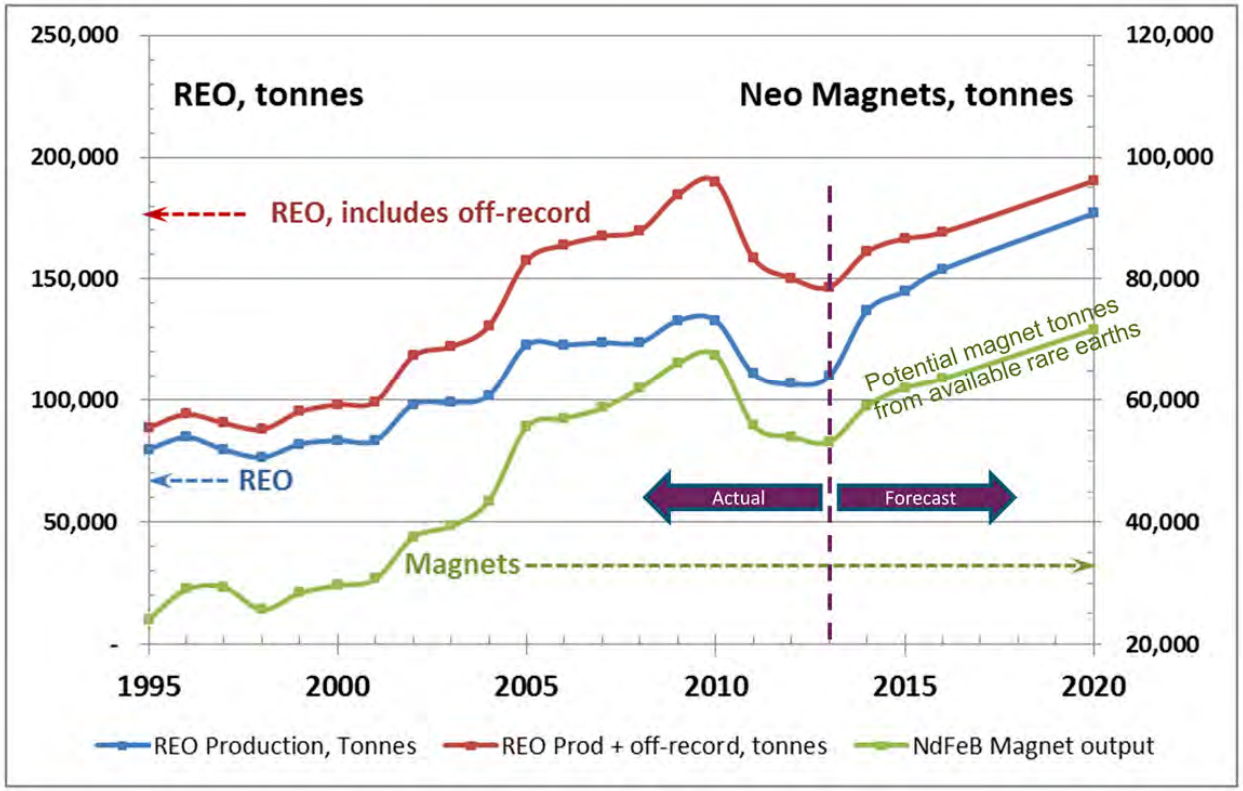
The use of Rare Earths reduces:

- ✓ Weight
- ✓ Emissions
- ✓ Energy consumption

The use of Rare Earths allows:

- ✓ Greater efficiency
- ✓ Performance
- ✓ Speed
- ✓ Miniaturisation
- ✓ Durability
- ✓ Thermal stability

Neo Magnet Production – past and potential



Caveat: this does not account for raw materials pulled from the supply chain by commodities traders or material stockpiled by manufacturers.

Yangibana will supply Magnetic End-Use Rare Earths

Yangibana project contain significant quantities of magnetic end-use rare earths

- Yangibana contains significant quantities of Neodymium, Praseodymium and Dysprosium
- Each are essential components in the production of NdFeB (neodymium-iron-boron) magnets used extensively in clean energy and high technology applications
- Increasing demand for these magnets has lead to increased demand for these rare earths
- Yangibana's mineralisation is a high-neodymium monazite, which to historically well-known to be amenable to relatively simple, cost effective processing
- The expected Yangibana flow sheet will produce high value, high purity rare earths products

Current prices of Yangibana Rare Earths

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Current commodity prices: 31st January 2015 – (Source "HEFA Rare Earth")

- **Neodymium – US$59/kg**
- **Praseodymium – US$105/kg**
- **Dysprosium – US$340/kg**
- **Europium – US$680/kg**

- **The value of the Yangibana mineralisation is predominantly derived from neodymium (Nd), praseodymium (Pr), dysprosium (Dy) and europium (Eu).).**
- **Prices for these four critical rare earths have remained relatively stable in a falling market over the past 24 months.**

Neodymium Oxide - Equivalent

- **Hastings has established a neodymium oxide-equivalent (Nd_2O_3-Eq) figure to allow simple comparison between individual holes or individual prospects based on the four target oxides shown above. Since metallurgical recoveries (currently indicated to be +76.5%) are the same for all targets, the calculation of Nd_2O_3-Eq grade is therefore:-**
- **Nd_2O_3-Eq grade = ((((Nd_2O_3 grade +((Pr_2O_3 grade*(Pr_2O_3 price/ Nd_2O_3 price))+ ((Dy_2O_3 grade*(Dy_2O_3 price/ Nd_2O_3 price))+ ((Eu_2O_3 grade*(Eu_2O_3 price/ Nd_2O_3 price)))**

Yangibana Project

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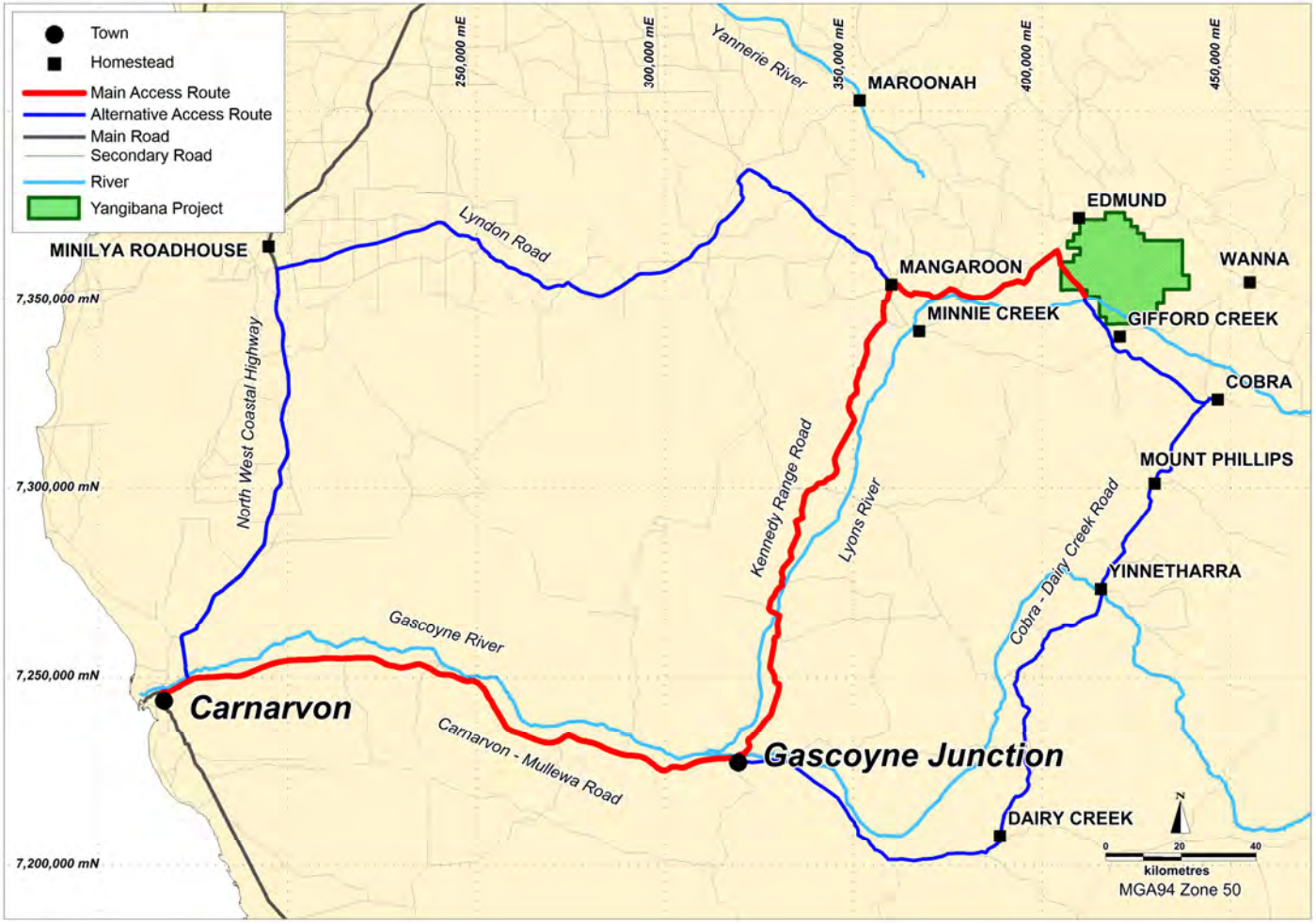
Yangibana Project Location
Accessibility from Carnarvon



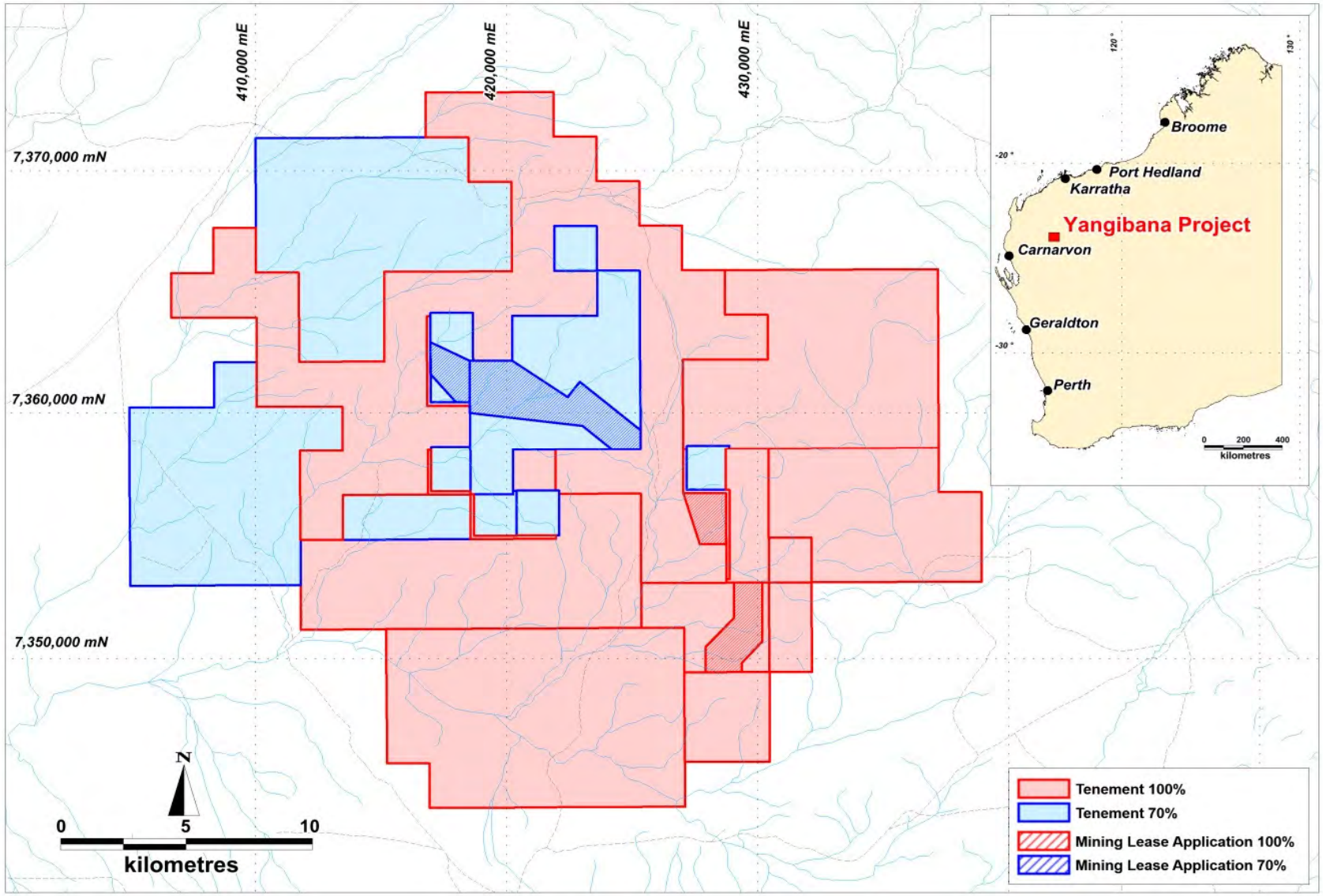
Yangibana Project Title and Ownership

Yangibana Project comprises:-

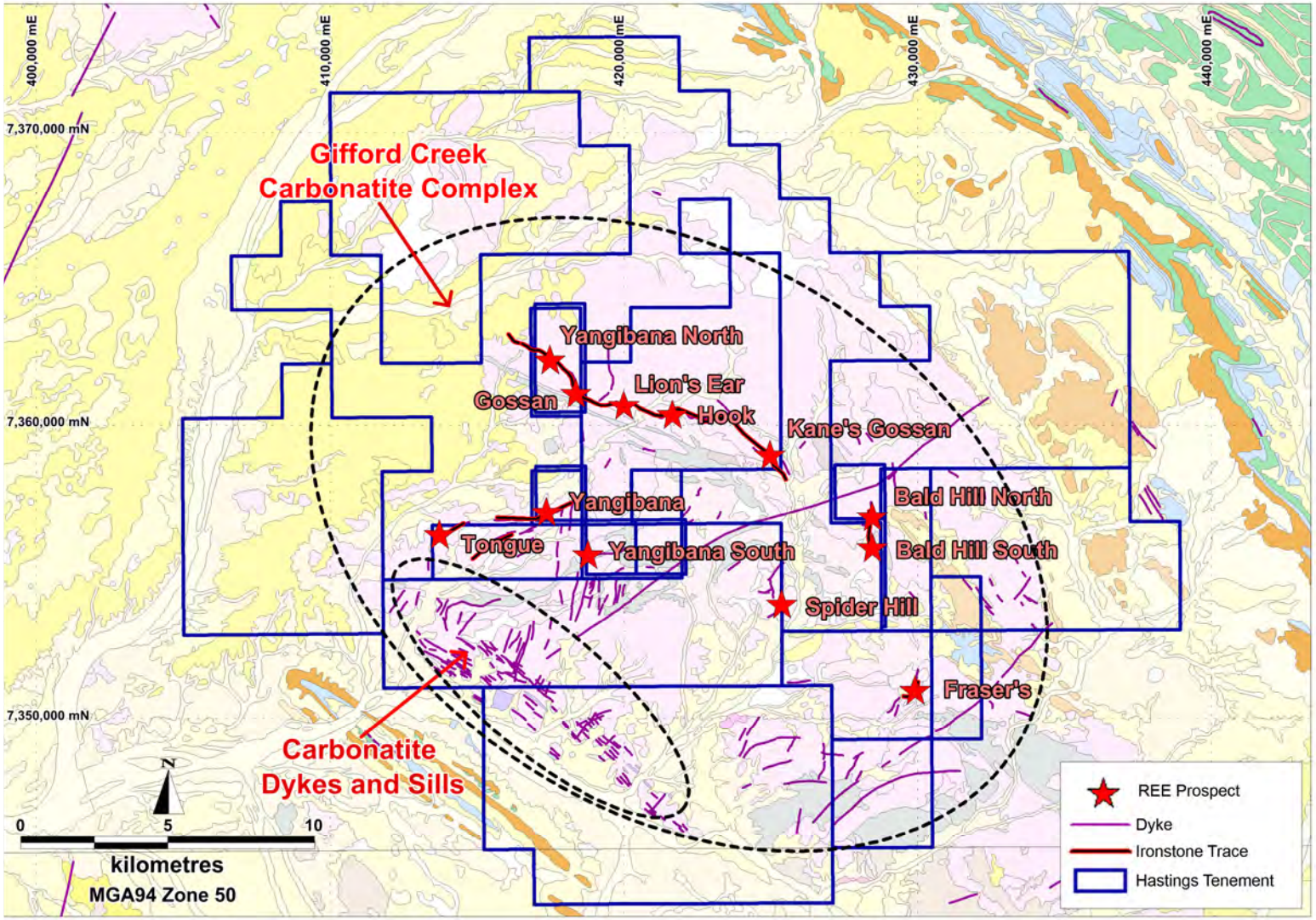
1. Ten Exploration Licences, three Exploration Licence Applications, four Prospecting Licences and two Mining Lease Application that are 100% owned by Hastings, and
2. Six Exploration Licences, and one Mining Lease Application within the Yangibana Joint Venture, which is managed by Hastings and in which Hastings holds a 70% interest.

Total area of almost 650 square kilometres

Yangibana Rare Earth Project

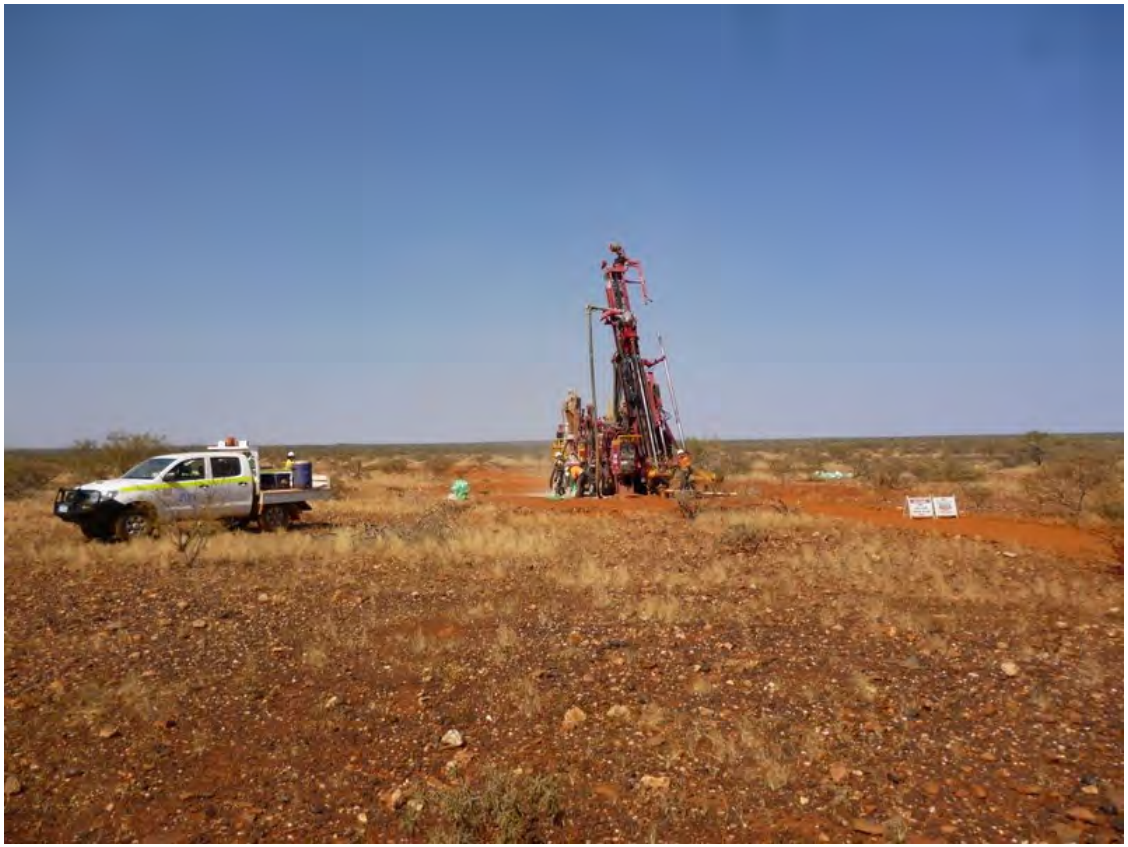


Yangibana Project Tenements and Geology



The project controls all areas considered to have potential for Yangibana-style Rare Earths mineralisation: including potential for large scale carbonatite-hosted Rare Earths mineralisation at depth.

Yangibana Project – Geography
Flat, Open Country, Excellent Outcrop.



Yangibana Project 2014 Drilling

Stage 1 drilling: ***Determine if significant rare earths present at best prospect***

- **tested Yangibana North prospect only:**
- **44 RC holes totalled 1,010m**
- **First JORC resources estimate 3.36mt @ 1.34%TREO**

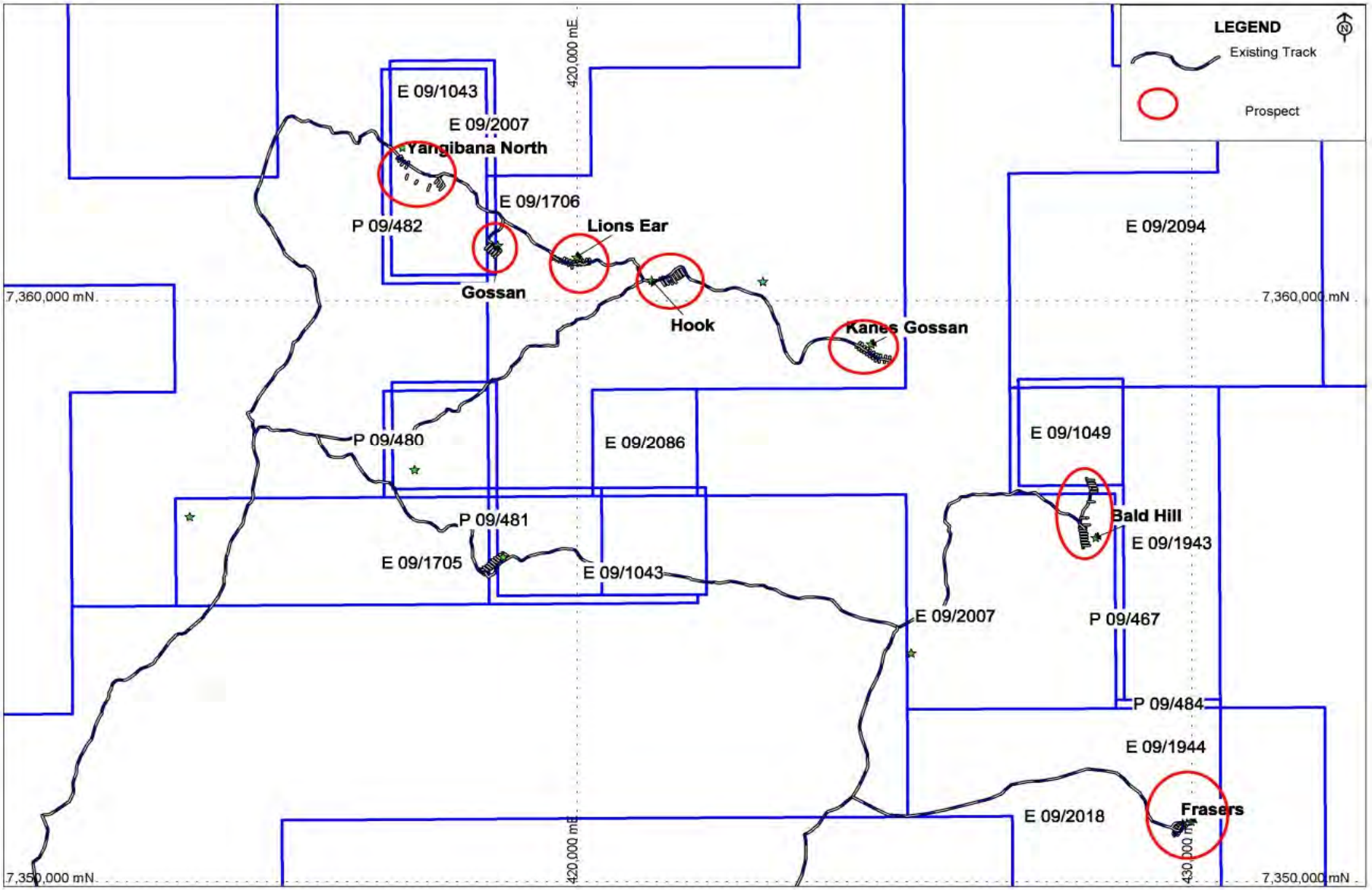
Confirmed a high grade neodymium/praseodymium deposit

Stage 2 drilling: ***Determine if significant rare earths present at other prospects***

- **infilled and extended Yangibana North prospect and tested seven further deposits Bald Hill South, Bald Hill North, Frasers, Gossan, Lion's Ear, Hook, and Kane's Gossan prospects.**
- **122 RC holes totalled 6,624m and 9 DD holes totalled 170.1m**
- **JORC resources present for all targets tested**

Confirmed high grade neodymium/praseodymium present at all 8 deposits

Locality Plan of Yangibana Rare Earth Prospects

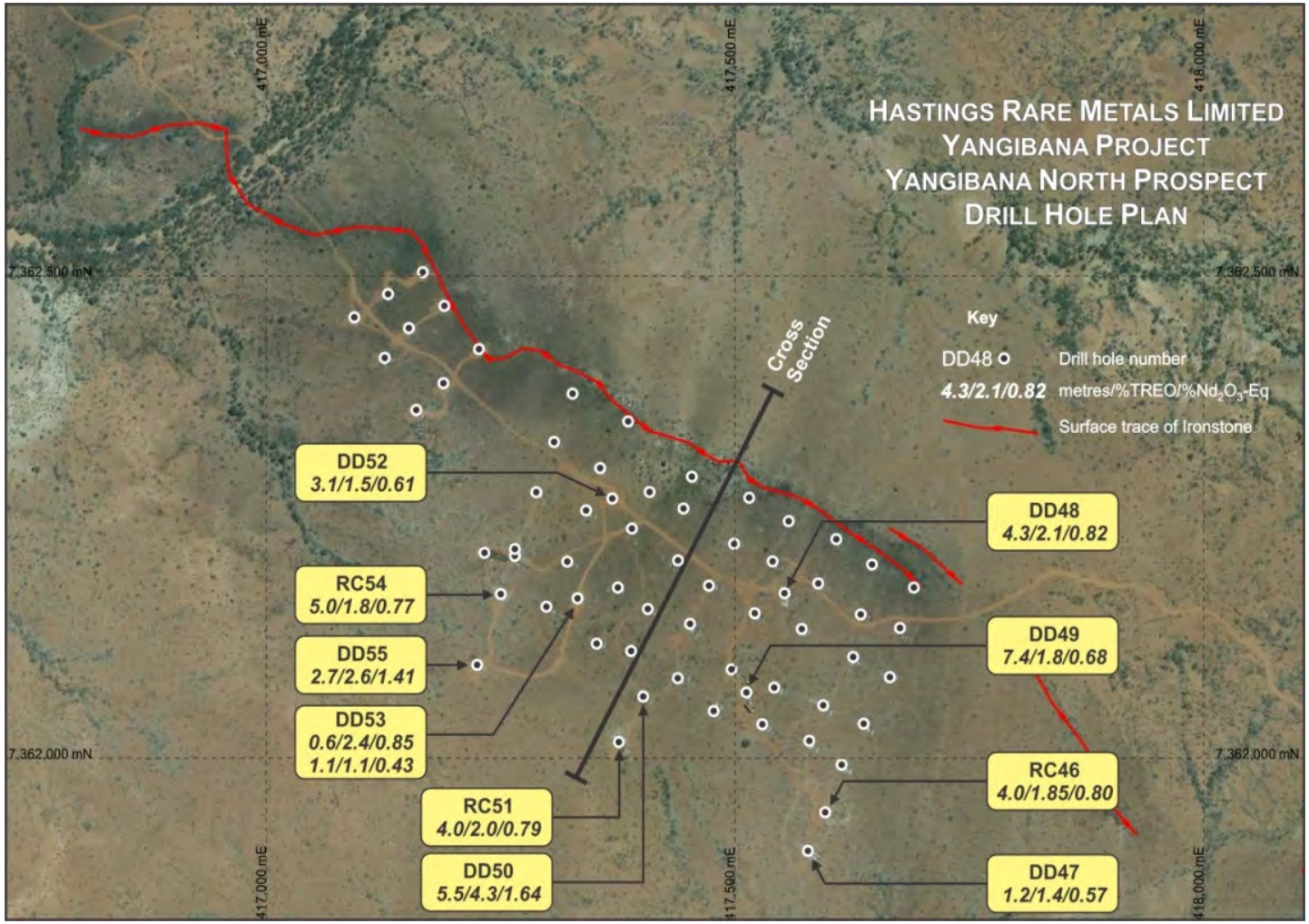


Yangibana Project
JORC Resource Estimates

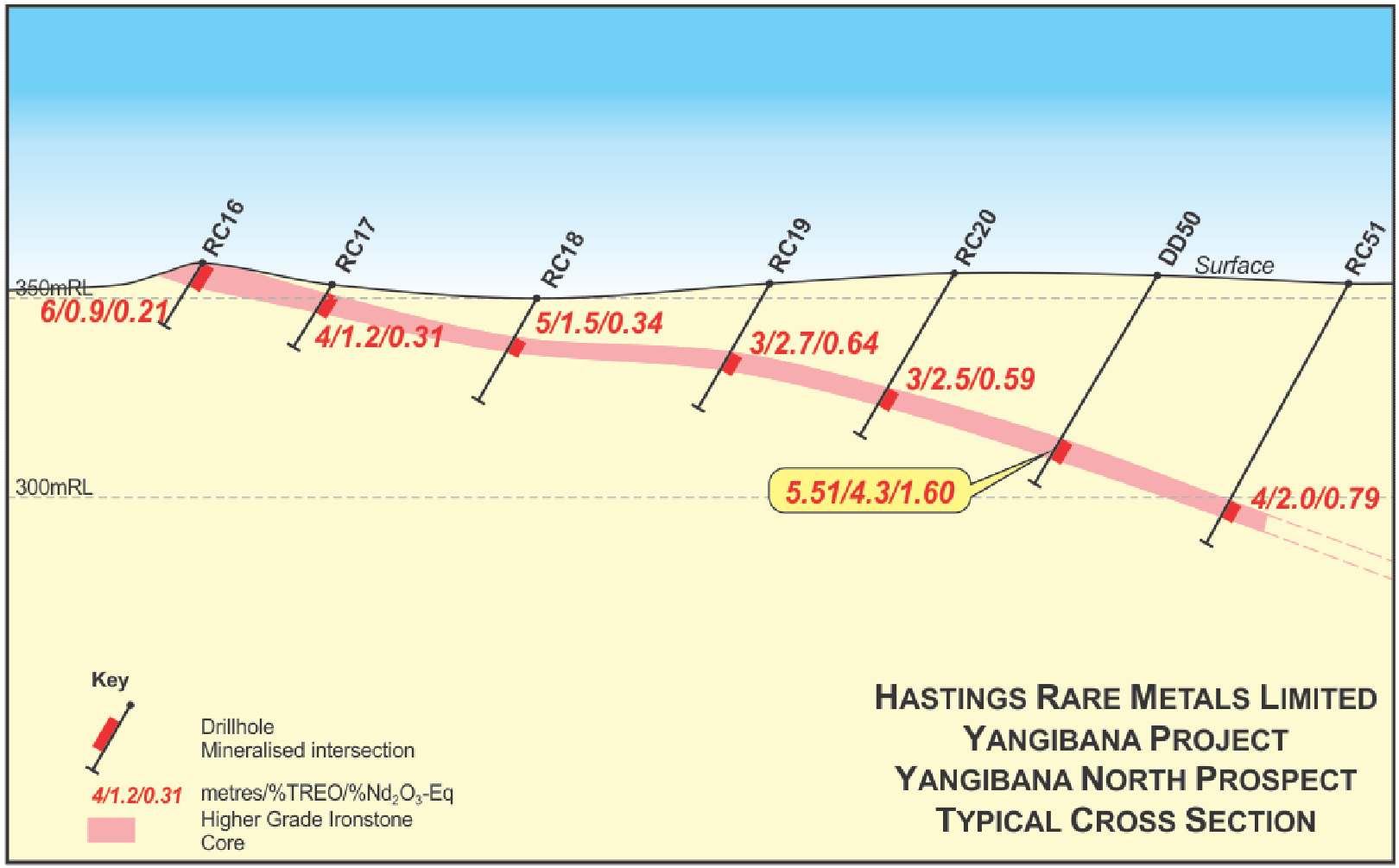
JORC Resources Total of all Eight Prospects Drilled

Resource Classification	Tonnes (mt)	% TREO	ppm Nd_2O_3	ppm Pr_2O_3	ppm Dy_2O_3	ppm Eu_2O_3
Indicated	3.96	1.59	3737	1015	58	100
Inferred	2.83	1.43	3189	916	47	81
	6.79	**1.52**	**3509**	**974**	**53**	**92**

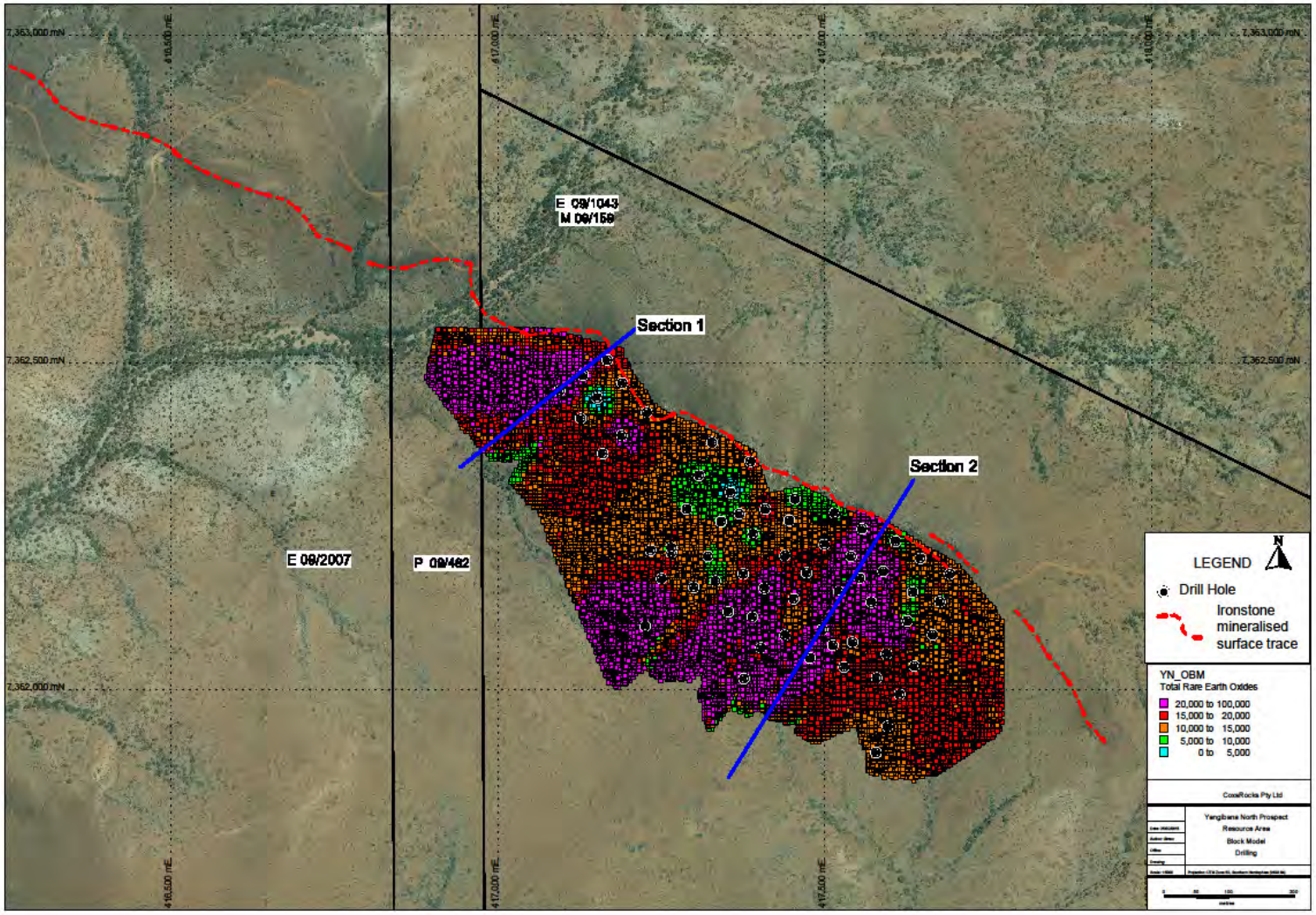
Yangibana North Deposit – 2014 Drilling
Locality Plan of Infill and Deep Holes



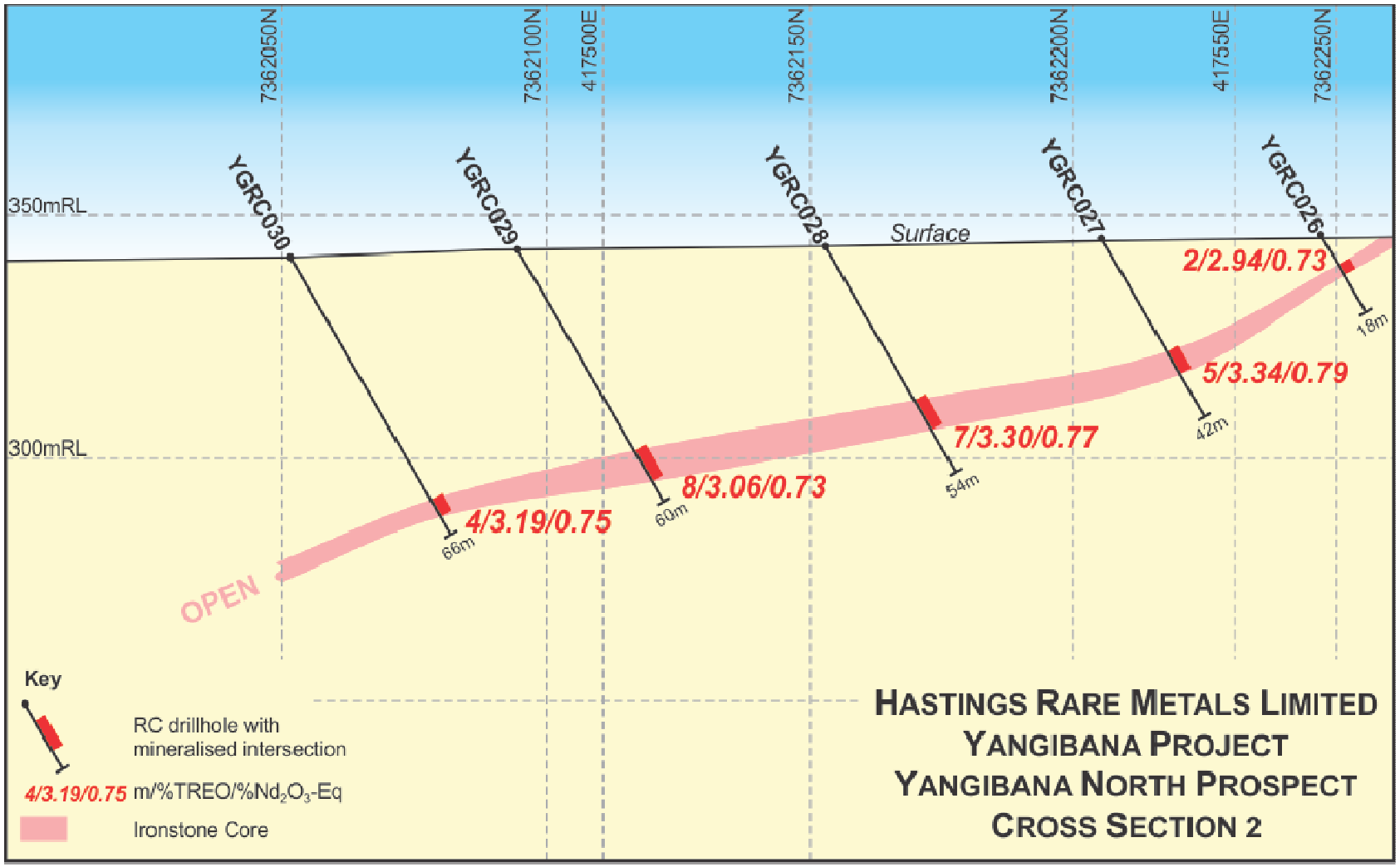
Yangibana North Deposit - 2014 Drilling
Cross-section with Drill Intersections



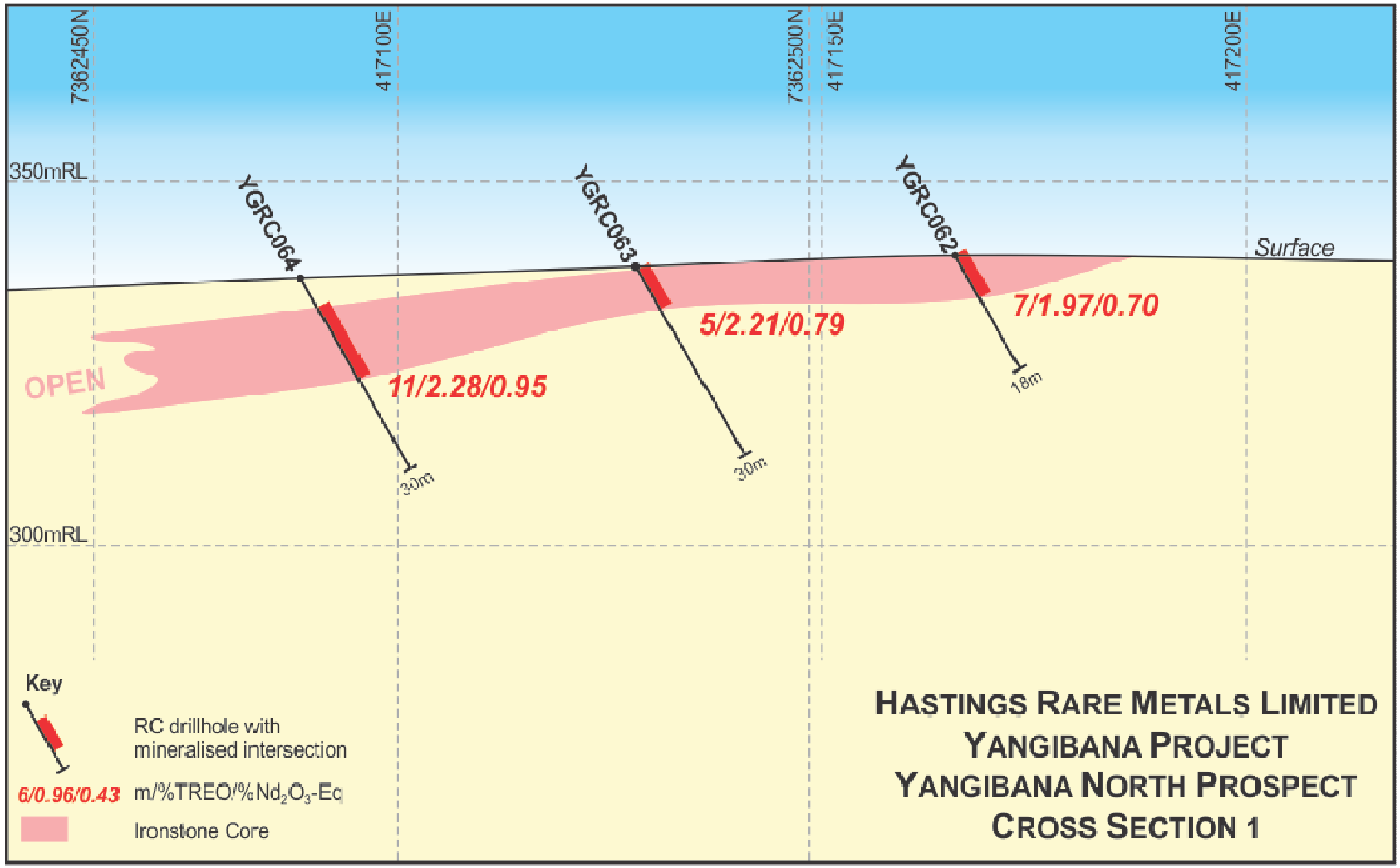
Yangibana Project
JORC Resource Estimates – Yangibana North



Yangibana Project
JORC Resource Estimates – Yangibana North



Yangibana Project
JORC Resource Estimates – Yangibana North



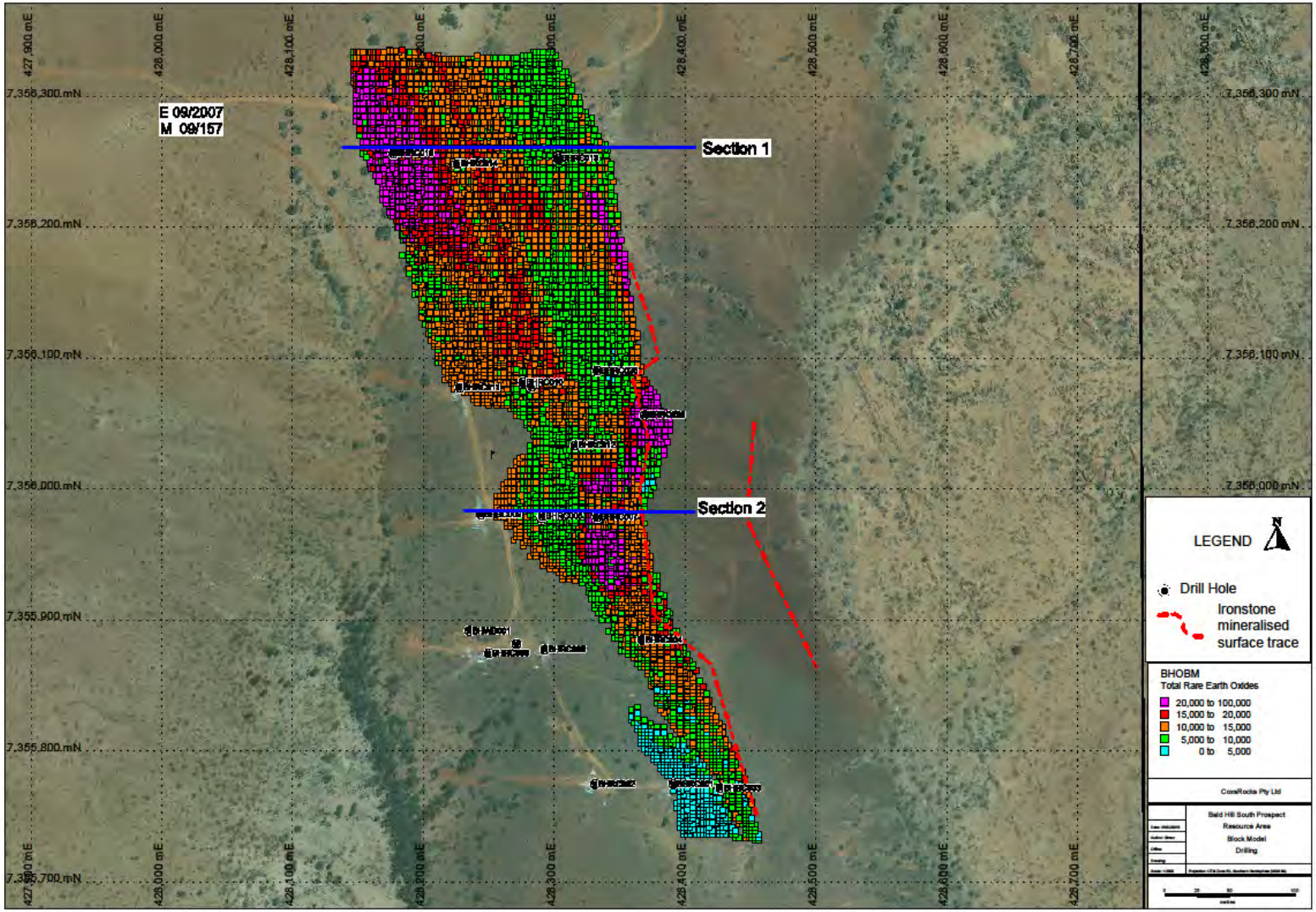
Yangibana Project
JORC Resource Estimates

Yangibana North Prospect
JORC Compliant Resource Estimate

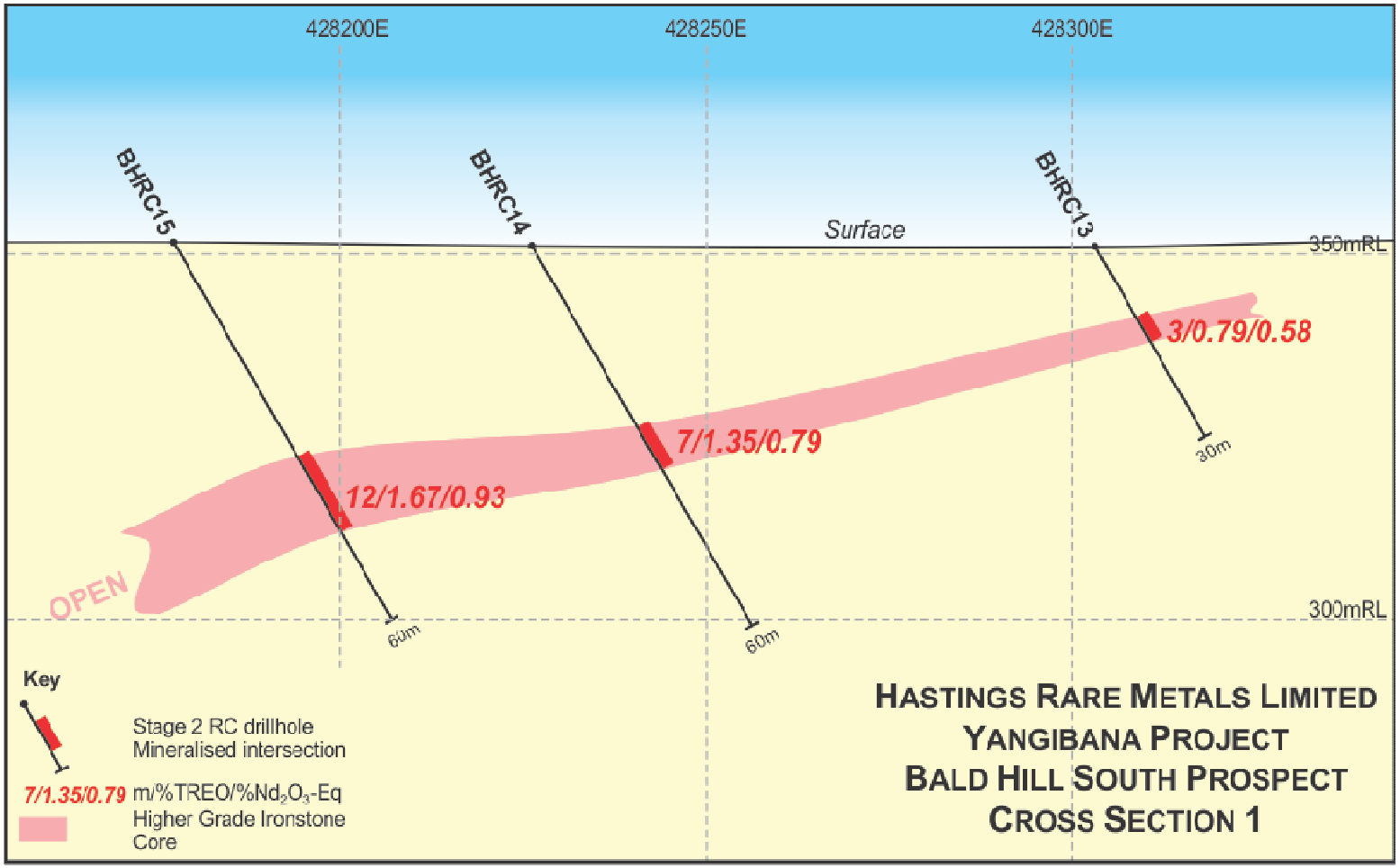
Resource Classification	Tonnes (mt)	% TREO	ppm Nd_2O_3	Ppm Pr_2O_3	ppm Dy_2O_3	ppm Eu_2O_3
Indicated	2.73	1.75	3546	1064	47	100
Inferred	0.73	1.65	3343	1003	44	94
TOTAL	3.46	1.73	3503	1051	46	99

Yangibana North Prospect -
Core Intersection Mineralised Zone

Yangibana Project
JORC Resource Estimates – Bald Hill South



Yangibana Project
JORC Resource Estimates – Bald Hill South



Yangibana Project
JORC Resource Estimates Continued

Hastings Rare Metals Limited

Bald Hill South JORC compliant Resource Estimate

Resource Classification	Tonnes (mt)	% TREO	ppm Nd_2O_3	Ppm Pr_2O_3	ppm Dy_2O_3	ppm Eu_2O_3
Indicated	1.23	1.22	4162	905	83	100

Other Prospects JORC compliant Resource Estimates

Prospect – Inferred Resources	Tonnes (mt)	% TREO	ppm Nd_2O_3	Ppm Pr_2O_3	ppm Dy_2O_3	ppm Eu_2O_3
Frasers	0.35	1.31	4703	1147	68	88
Bald Hill North	0.14	0.87	3068	641	74	87
Kane's Gossan	0.61	1.18	2501	762	43	58
Hook	0.10	1.93	3251	1080	37	72
Lion's Ear	0.67	1.55	3044	902	46	88
Gossan	0.23	1.39	2695	835	25	66

Yangibana Deposits - Summary & Conclusions

Summary

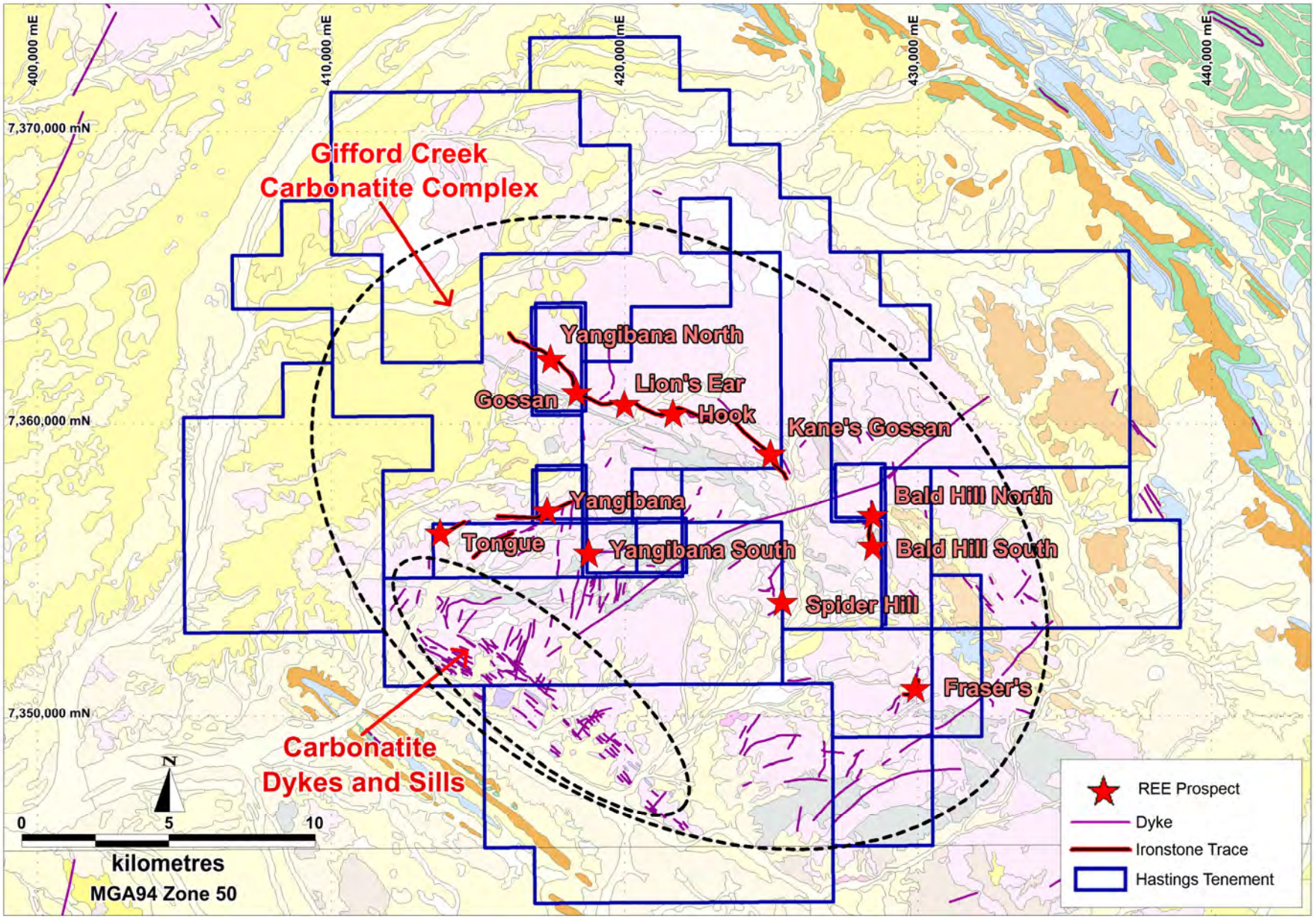
All Eight Yangibana Deposits drilled to date :

- Have significant high grade Neodymium, Praseodymium, Dysprosium and Europium Resources
- Have mineralisation that is open-ended along strike and to depth
- Have significant Resources that are amenable to low cost open pit mining operations

Conclusions:

- Further similar mineralisation may be expected as extensions to the eight deposits drilled, known undrilled prospects and beneath the extensive outcropping zones between the defined prospects
- Further significant open-pittable resources are anticipated from future drilling campaigns.

Yangibana Project Prospects and Geology



Yangibana Metallurgical Investigations

Two types of Rare Earth Monazite mineralisation are present at Yangibana.

1. ***Western mineralisation*** carrying relatively high grades of Nd_2O_3 and comprising an average of **20%** of TREO
2. ***Eastern mineralisation*** carrying much higher grades of Nd_2O_3 and comprising an average from **30-35%** of TREO

Beneficiation Studies

1. ***Gravity Concentration*** showed some potential.
2. ***Magnetic Concentration*** showed good potential.
3. ***Flotation Concentration*** showed immediate and exciting potential.

Yangibana Metallurgical Investigations: Beneficiation by Flotation

Yangibana North Deposit: bench scale testing of composite drill samples reduced to 80% passing -75micron grainsize has shown we may expect a beneficiated concentrate with a ***13 times increase in rare earths grade to 4.25%Nd_2O_3 (8.3%Nd_2O_3-Eq*),*** 20% TREO, a recovery of 90% into a mass of 7% of the original mineralisation.

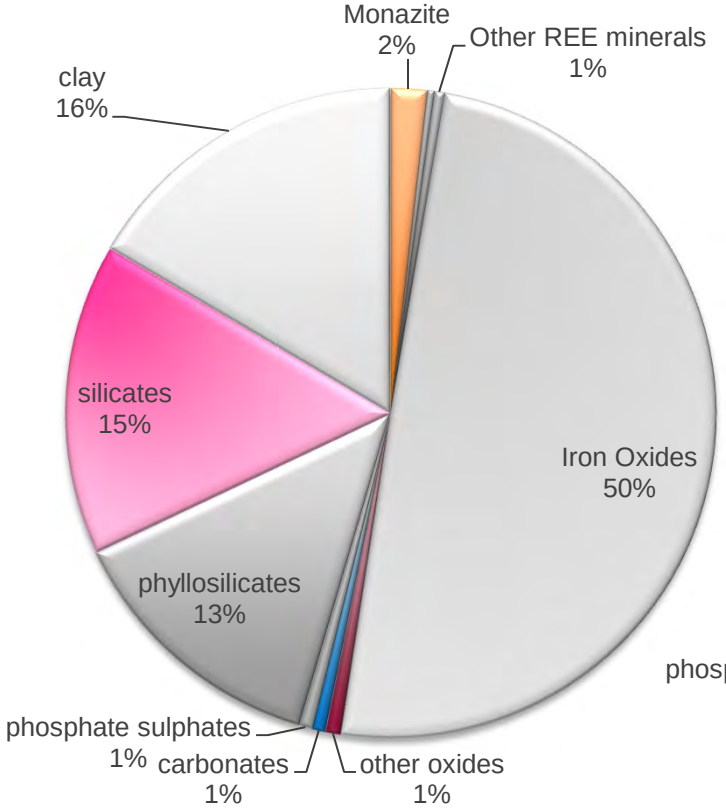
Bald Hill South Deposit: has given similar results. Due to a higher ratio of **Nd_2O_3** :TREO the concentrate contains around **8.1%Nd_2O_3 (14.0%Nd_2O_3-Eq*).**

Beneficiation Flowsheet: Rapid kinetics and a rougher float, single cleaner and re-cleaner float confirms a simple flow sheet for beneficiation and hence low cost flotation plant

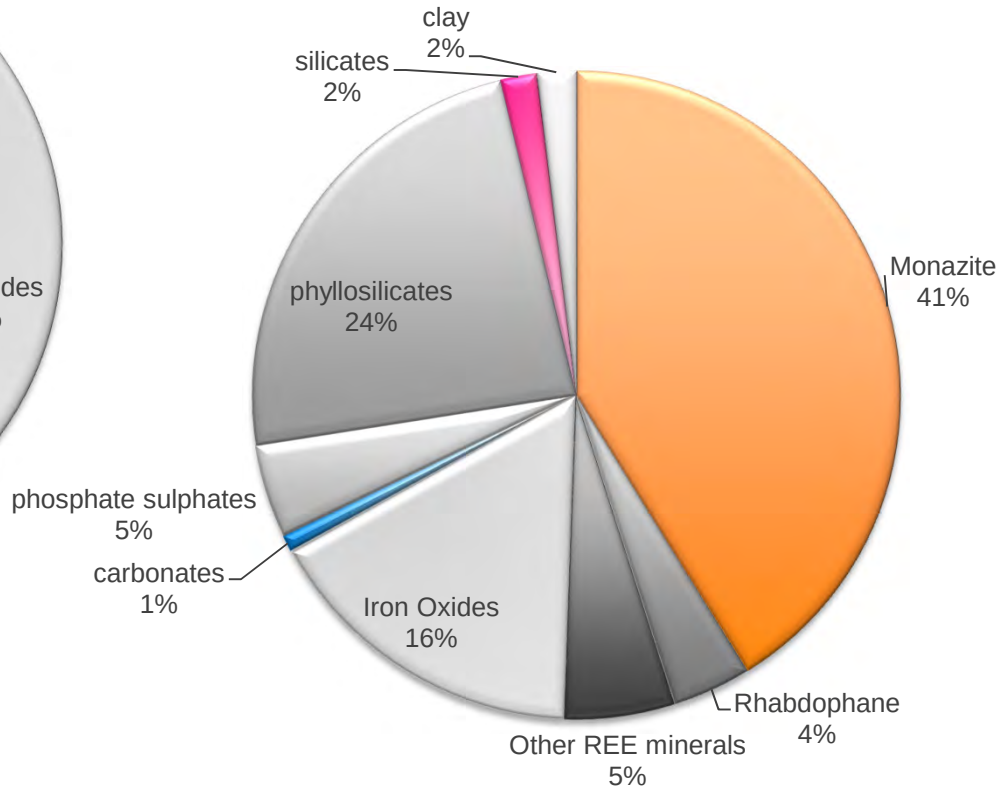
Hydrometallurgical plant: only required to treat around ***70,000 tonnes per annum***

Yangibana – Beneficiation Test Results
Bald Hill South mineralogy

Bald Hill South Ironstone Ore



Bald Hill South Ironstone Concentrate



Yangibana - Scoping Study

Scoping Study undertaken by Snowden Mining Consultants

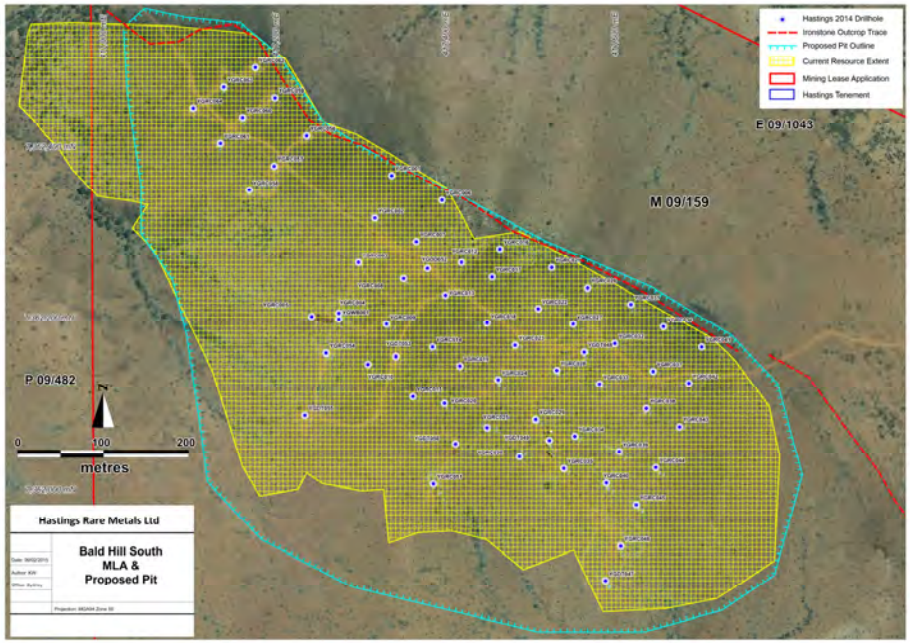
- based on mining 1.0 mtpa by conventional open pit methods
- Crush, grind, float to produce RE concentrate
- Hydrometallurgical processing to extract REs from concentrate
- Separation/refining to produce separate REOs at “site”

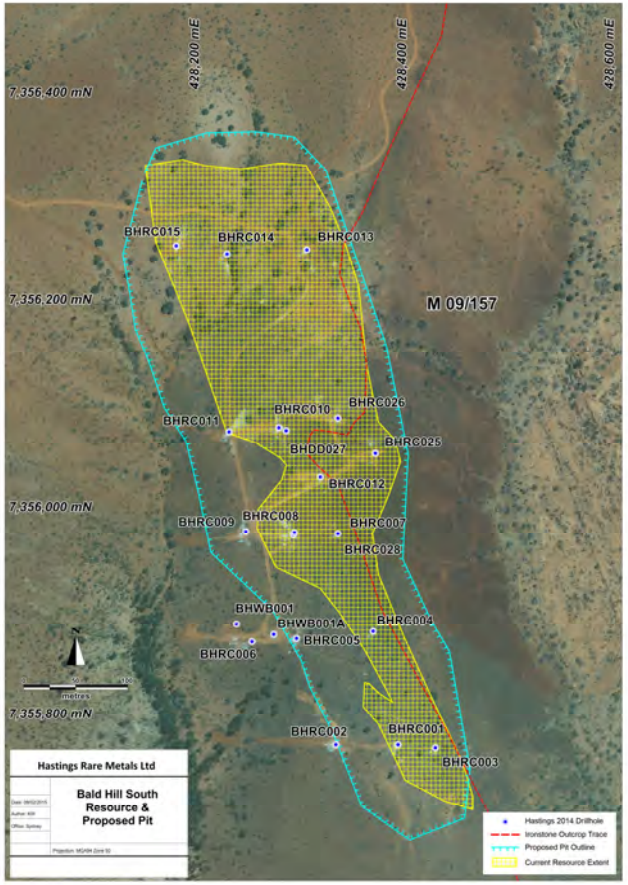
Two cases considered

- High Confidence Case - 3.7 year operation based on defined JORC resources at Yangibana North and Bald Hill South (i.e. only 3.7mt of the 6.79mt Resources were considered in this case)
- Expanded Case – 15 year operation based on potential to define additional resources of similar tenor and configuration

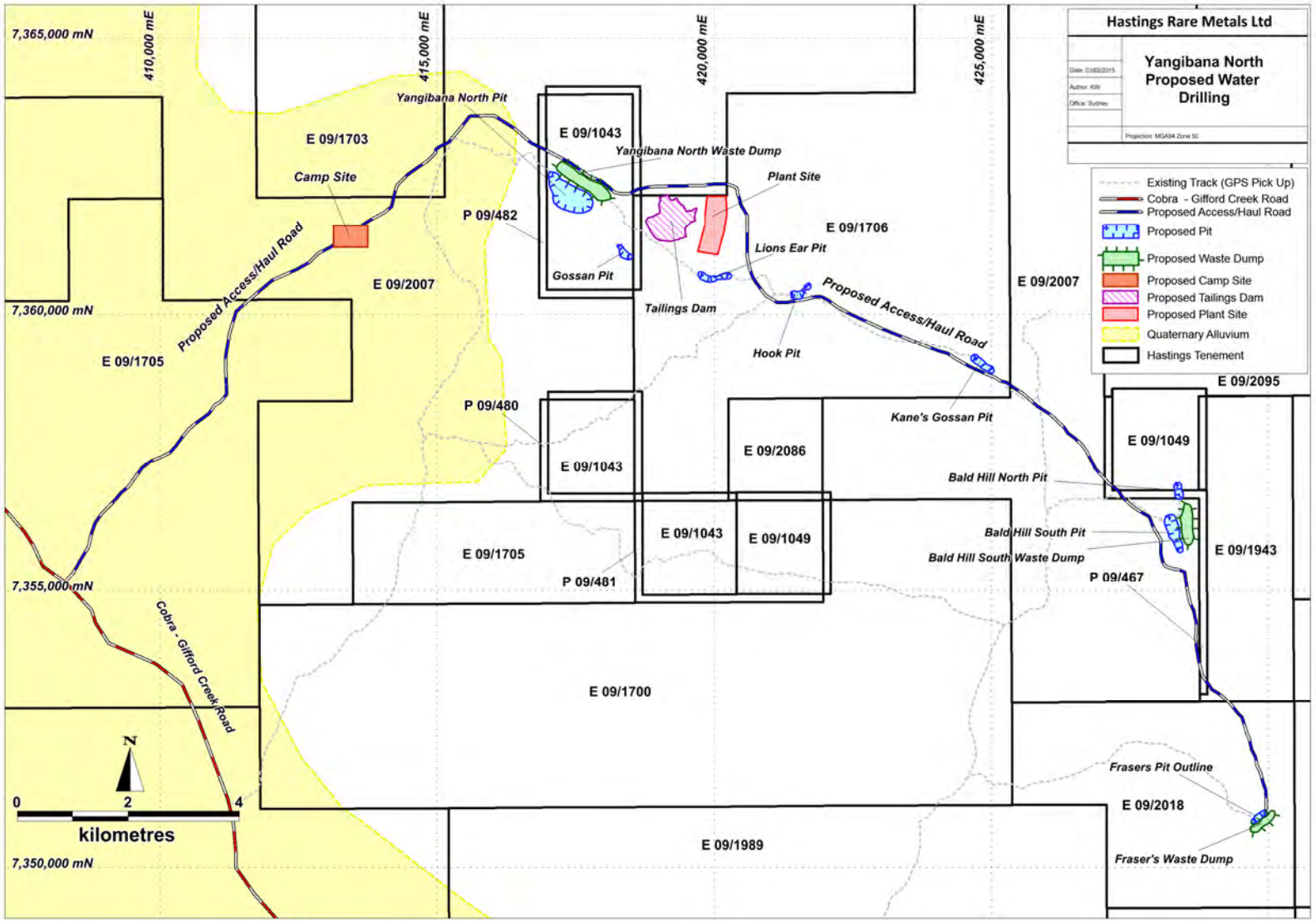
Yangibana - Proposed Open Pits

Yangibana North (800m by 300m) and Bald Hill South (650m by 150m) proposed initial pits based on only current Indicated Resources



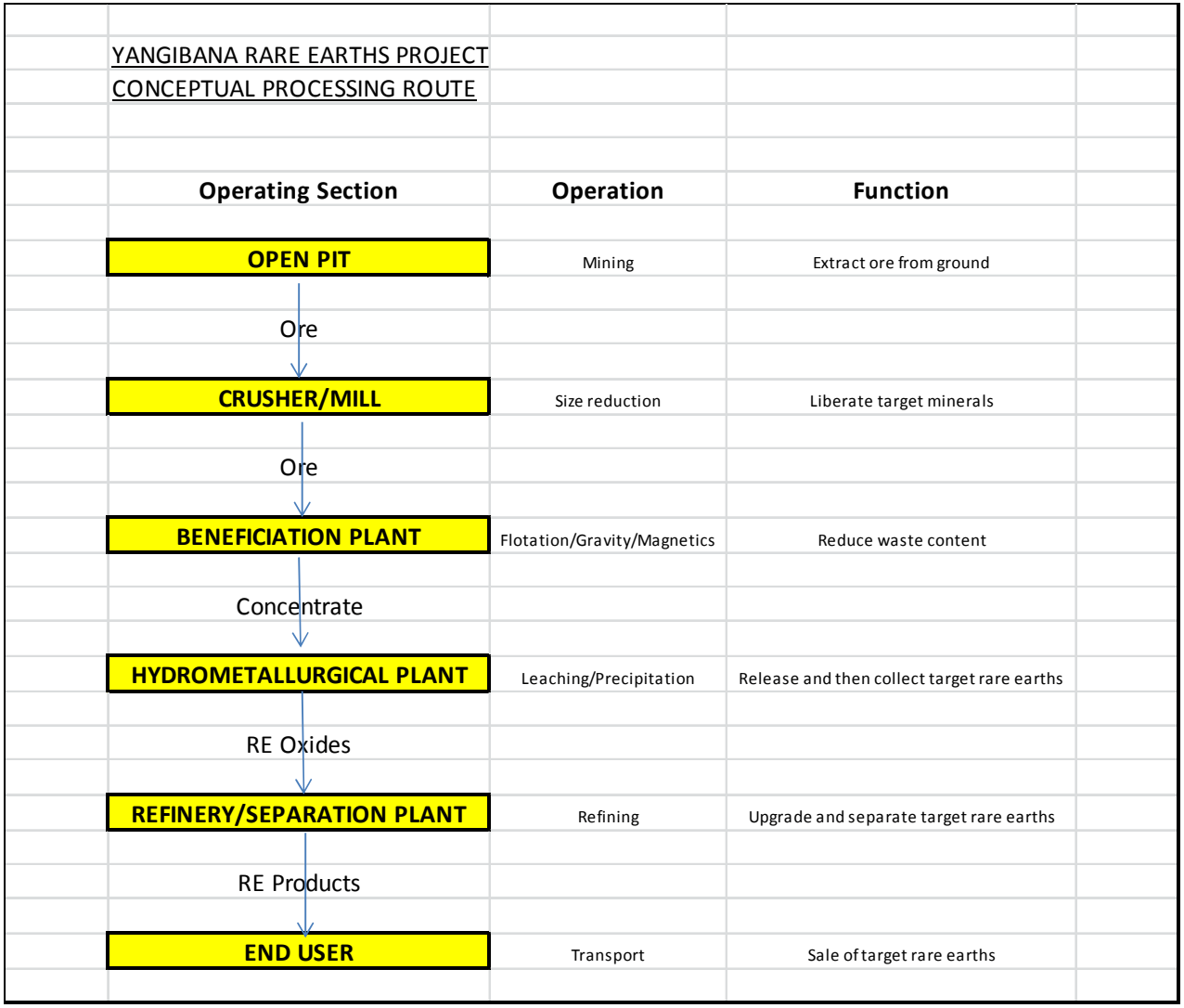


Yangibana – Proposed Site Infrastructure



Yangibana Scoping Study

YANGIBANA RARE EARTHS PROJECT
CONCEPTUAL PROCESSING ROUTE



Yangibana Scoping Study

Item	Units	Base Case	Expanded Case
Plant Throughput	Million tonnes per annum	1.0	1.0
Project Life	Years	3.7	15
Nd_2O_3-Eq production	Tonnes per annum	5,450	5,450
Nd_2O_3-Eq price assumption*	US$/kg	60	60
Annual Gross Revenue	US$m	327	327
Annual Operating costs	A$m	117	117
Exchange Rate	A$:US$	0.80	0.80
Capital Cost	A$m	390	390
Discount Rate	%	10	12
Payback after construction completed	Years	1.6	1.6

2,700 tonnes per annum of neodymium oxide;
750 tonnes per annum of praseodymium oxide;
40 tonnes per annum of dysprosium oxide;
70 tonnes per annum of europium oxide;

Scoping Study – Capital Costs

Category	Cost A$m
Mill and Beneficiation Plant	88
Hydrometallurgical and Separation Plant	250
Total Direct Capital Costs	338
Construction facilities/EPCM	52
Total Indirect Capital Costs	52
Total Capital Costs	390

Scoping Study – Operating Costs

Category	Cost A$/t ore mined
Contract Mining ($3.50/t rock at Stripping/Ratio 8.46)	33
Contract Crushing	10
Milling and Beneficiation	40
Hydrometallurgical and Separation	27
General/Administration	7
Total Operating Costs	117

Scoping Study – Financial Analysis

Financial Evaluation returns:-

- High Confidence Case
  - ❑ Capital Payback 1.6 years into production
  - ❑ Discount Rate 10%
  - ❑ **NPV** **$295-$360 million**
- Expanded Case –
  - ❑ Capital Payback 1.6 years into production
  - ❑ Discount Rate 12%
  - ❑ **NPV** **$900-$1,200 million**
  - ❑ IRR 62.5%

Yangibana Pre-Feasibility Study

Fundraising

Following successful definition of significant Neodymium/Praseodymium Resources equity funds were successfully sought from shareholders and interested parties.

Over A$8.5m was raised; considered sufficient to support a Pre-Feasibility Study.

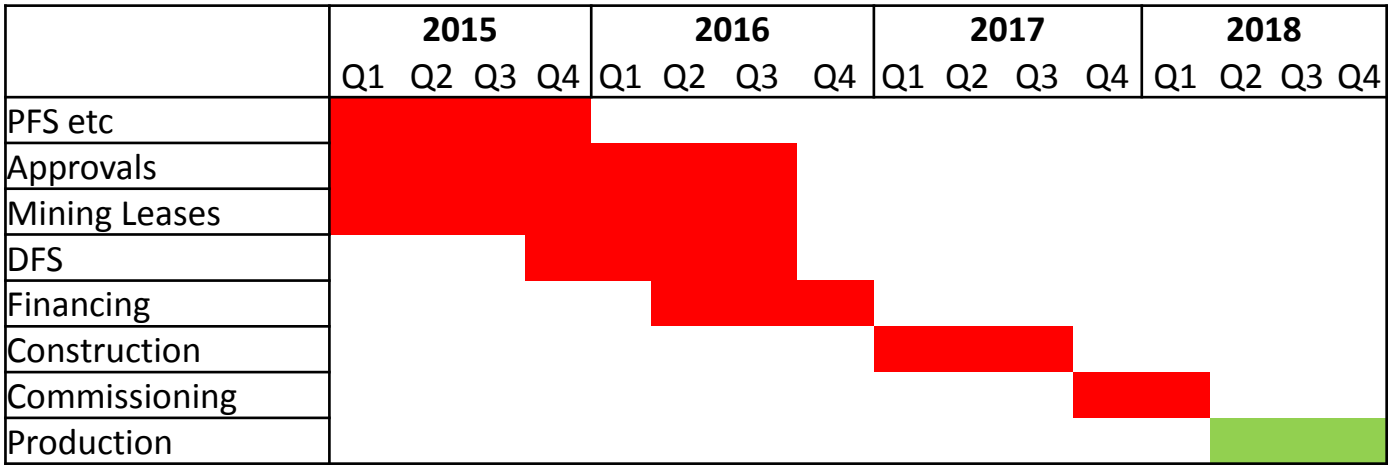
Consultants

Company has identified specialist consultants to undertake the various components of the Pre-Feasibility Study

Yangibana Pre-Feasibility Study Consultants

• Study Management	Tetra Tech Proteus
• Tenements	Austwide
• Native Title Issues	Austwide/Ecoscape
• Geology /Resources	CoxRocks, Snowden
• Geotech	Snowden
• Hydrology	ATC Williams
• Mine Design/Reserves	Snowden
• Mine Scheduling	Snowden
• Topographical Survey	Hyvista Corp
• Environmental/Approvals	Ecoscape
• Waste Rock Placement	ATC Williams
• Tailings Storage Facilities	ATC Williams
• Metallurgy – beneficiation	KyspyMet
• Metallurgy – hydromet	Core/Tetra Tech Proteus
• Metallurgy - refining	Core/Tetra Tech Proteus
• Plant Design/EPCM	Tetrra Tech Proteus
• Water	ATC Williams
• Infrastructure	Tetra Tech Proteus
• Marketing	TBA
• Economic Evaluation	Tetra Tech Proteus

Project development timeline



Yangibana Project - Summary

Yangibana is likely to be an important source to the world of neodymium, praseodymium, dysprosium and europium since it:

1. contains Resources of neodymium, praseodymium, dysprosium and europium sufficient to be a significant long term and stable supplier into the world market.
2. is an extensive resource with relatively high grades of Nd_2O_3 -Eq,
3. has an ability to be mined by low cost open pit mining,
4. can be beneficiated with high recovery, by low cost, simple flotation producing a high grade concentrate
5. is in a country that has low sovereign risk
6. is within a state that supports mining, and has access to world class expertise and workforce
7. has enormous exploration potential including potential for higher-grade targets

Yangibana Project - Future

- Hastings plans to complete Pre-Feasibility Study by the end of October 2015
- Assuming positive results it plans to move immediately to the Final (Bankable) Feasibility Study
- To achieve this Hastings will require assistance with
  - Financing of the Bankable Feasibility Study
  - Marketing Agreements
  - Subsequent Development Financing