



19 August 2015

THREE MINING LEASES GRANTED AT YANGIBANA

HIGHLIGHTS

- **Three Mining Leases - M09/157, M09/158, and M09/159 – granted by the Western Australian Department of Mines and Petroleum**
- **MLs cover a total area of almost 2,300 hectares**
- **MLs contain all current JORC resources and the majority of significant targets within the overall Yangibana Project**
- **Work continuing towards gaining development permitting and approvals in line with the Pre-Feasibility Study schedule**

Hastings Rare Metals Limited (ASX:HAS) advises that the Western Australian Department of Mines and Petroleum has granted three Mining Leases (Ms 09/157, 09/158 and 09/159) for the Yangibana Project located in the Gascoyne Region (Figure 1).

Hastings Chairman Charles Lew said "This is a very important step in the progress of the Yangibana Project. Combined with the positive results we are achieving with our ongoing resource drilling and metallurgical test work we are confident of achieving the completion of the Pre-Feasibility Study on schedule, and then moving seamlessly forward with the intention of establishing a highly profitable rare earths project in Western Australia."

M09/157 – Bald Hill South (Hastings 100%) covers an area of 289.0 hectares and contains the Bald Hill South deposit where Hastings' 2014 exploration led to the definition of JORC Indicated Resources of 1.23 million tonnes at 1.22%TREO** with 0.65%Nd₂O₃-Eq*. The Company has just completed a major infill and extension reverse circulation (RC) and diamond drilling programme that is expected to lead to a significant increase in these neodymium-rich resources.

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M09/158 – Fraser's (Hastings 100%) covers an area of 535.0 hectares and contains the Fraser's deposit where Hastings' 2014 exploration led to the definition of JORC Inferred Resources of 0.35 million tonnes at 1.31%TREO** with 0.71%Nd₂O₃-Eq*. The Company has just completed an extensive infill and extension reverse circulation (RC) and diamond drilling programme that is expected to increase these neodymium-rich resources.

M09/159 – Yangibana Main (part of the Yangibana – REM Joint Venture, Hastings 70%) covers an area of approximately 1,469.8 hectares and contains the Yangibana North deposit where Hastings' 2014 exploration led to the definition of JORC Indicated Resources of 2.73 million tonnes at 1.75%TREO** with 0.58%Nd₂O₃-Eq* and Inferred Resources of 0.73 million tonnes at 1.65%TREO** with 0.55%Nd₂O₃-Eq*. It also covers the JORC Inferred Resources at Gossan (0.23 million tonnes at 1.39%TREO** with 0.43%Nd₂O₃-Eq*), Lion's Ear (0.67 million tonnes at 1.55%TREO** with 0.50%Nd₂O₃-Eq*), Hook (0.10 million tonnes at 1.93%TREO** with 0.52%Nd₂O₃-Eq*) and Kane's Gossan (0.61 million tonnes at 1.18%TREO** with 0.41%Nd₂O₃-Eq*) deposits.

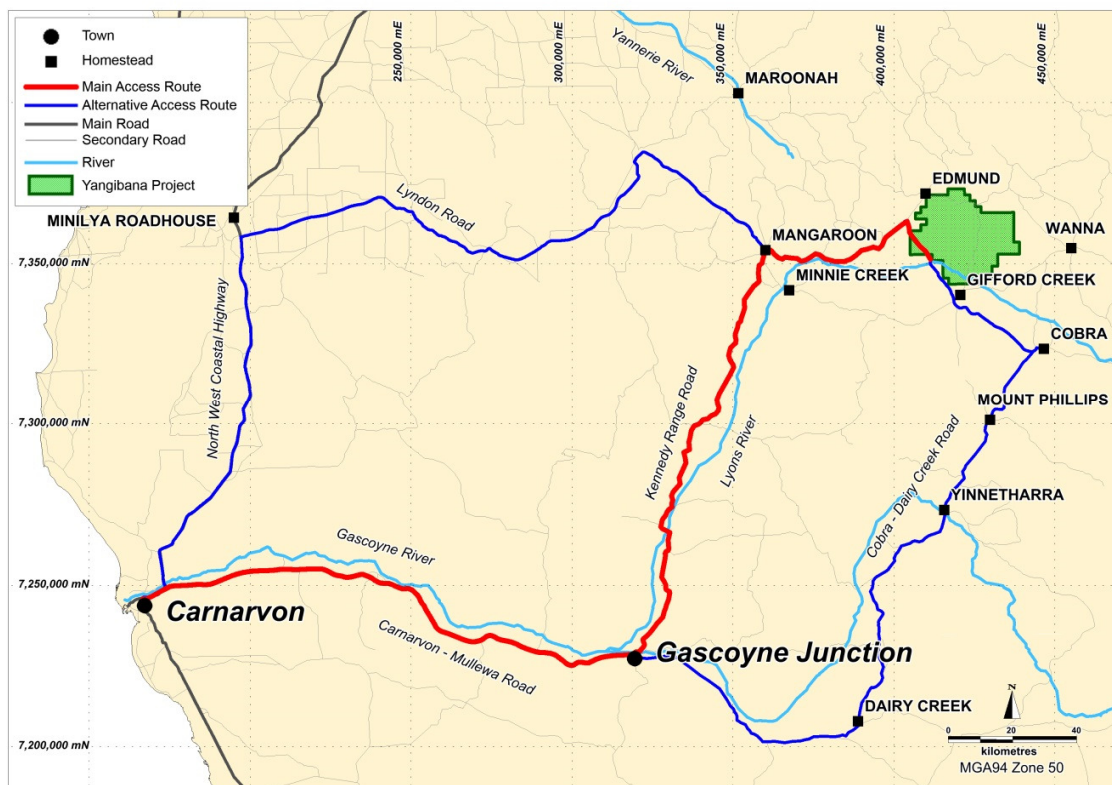


Figure 1 – Yangibana Project – Project Location Plan

The location of the three Mining Leases related to the Company's prior tenements, to the deposits with defined JORC resources and to preliminary infrastructure sites is shown in Figure 2.

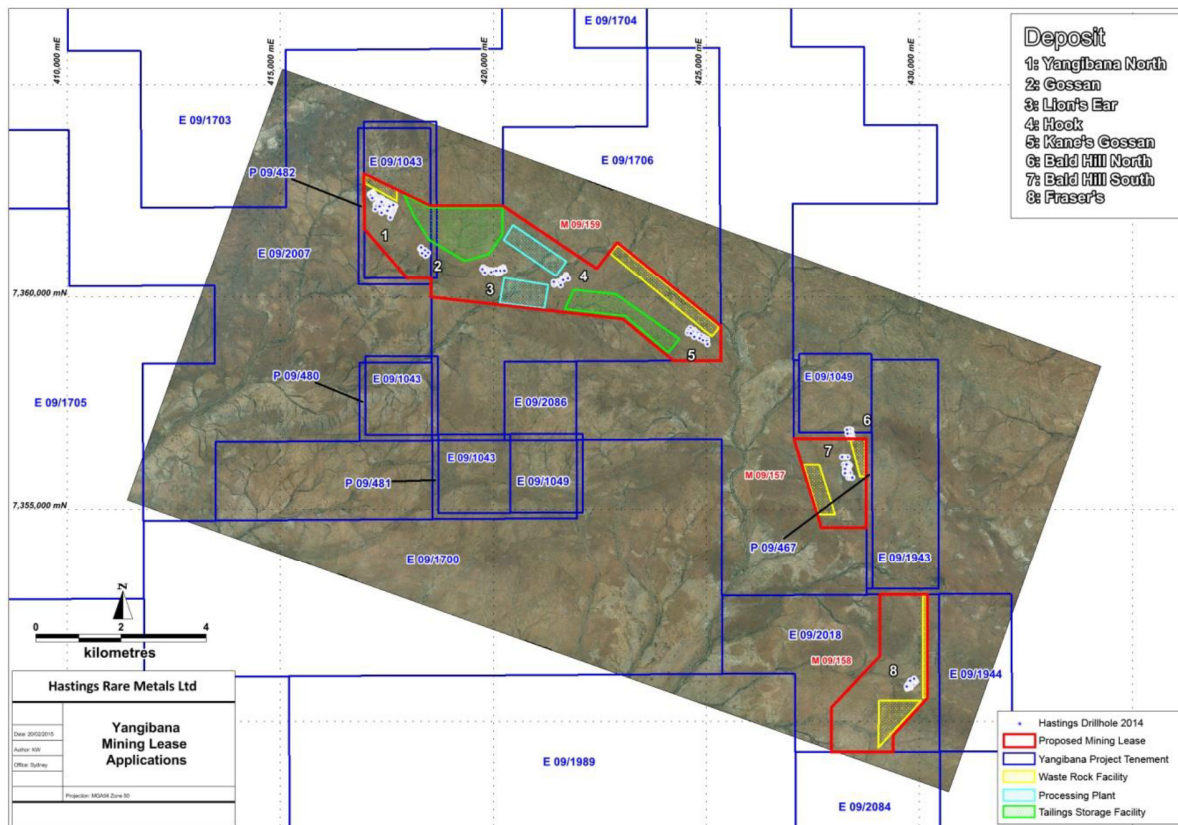


Figure 2 – Yangibana Project – Mining Leases M09/157, M09/158 and M09/159

The granting of these Mining Leases further de-risks the Yangibana Project and maintains the Company's progress towards development. Hastings will now continue the process of obtaining those approvals and permits required to facilitate this development in parallel with completing the Pre-Feasibility Study.



**** 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).

Neodymium Equivalence

Hastings is concentrating its efforts on the recovery of four important rare earths – neodymium, praseodymium, dysprosium and europium. To portray the grade of the mineralisation Hastings has established neodymium-equivalent figures where:-

*The Nd_2O_3 equivalent ($\text{Nd}_2\text{O}_3\text{-Eq}$) values have been calculated based on the following rare earths prices. These prices have been established by independent consultants Adamas Intelligence and are being used by Hastings in the evaluation of the project.

- Nd_2O_3 - US\$85/kg
- Pr_2O_3 – US\$95/kg
- Dy_2O_3 - US\$550/kg and
- Eu_2O_3 - US\$635/kg

Where $\text{Nd}_2\text{O}_3\text{-Eq}$ =

$$((\text{Nd}_2\text{O}_3\text{grade} + ((\text{Pr}_2\text{O}_3\text{grade} * (\text{Pr}_2\text{O}_3\text{price} / \text{Nd}_2\text{O}_3\text{price})) + (\text{Dy}_2\text{O}_3\text{grade} * (\text{Dy}_2\text{O}_3\text{price} / \text{Nd}_2\text{O}_3\text{price}))) + (\text{Eu}_2\text{O}_3\text{grade} * (\text{Eu}_2\text{O}_3\text{price} / \text{Nd}_2\text{O}_3\text{price})))$$

Such that $\text{Nd}_2\text{O}_3 \text{ Eq} = \text{Nd}_2\text{O}_3 + (1.1176 \times \text{Pr}_2\text{O}_3) + (6.4706 \times \text{Dy}_2\text{O}_3) + (7.4706 \times \text{Eu}_2\text{O}_3)$

These commodity prices were updated from those used previously (Nd_2O_3 at US\$59.5/kg; Pr_2O_3 at US\$119.5/kg; Dy_2O_3 at US\$340/kg; and Eu_2O_3 at US\$725/kg). Positive changes are for neodymium (+43%) and dysprosium (+62%), with a decrease in praseodymium (-21%) and europium (-12%).

These changes affect the calculation of $\text{Nd}_2\text{O}_3\text{-Eq}$ figures and the in-ground value of the mineralisation. Based on the updated prices, the JORC resources at Bald Hill South of 1.23 million tonnes at 1.22% TREO now contain 0.65% $\text{Nd}_2\text{O}_3\text{-Eq}$ as compared to 0.77% $\text{Nd}_2\text{O}_3\text{-Eq}$ as previously calculated. Because of the higher Nd_2O_3 price, the value of the in-ground mineralisation has increased significantly from US\$456/tonne to US\$646/tonne (+42%).



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About Hastings Rare Metals

- Hastings Rare Metals is a leading Australian rare earths company, with two JORC compliant rare earths projects in Western Australia.
- The Yangibana Project hosts JORC Indicated and Inferred Resources totalling 6.79 million tonnes at 1.52% TREO, including 0.35% Nd₂O₃ (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 deposit contains JORC Indicated and Inferred Resources totalling 36.2 million tonnes (comprising 27.1mt Indicated Resources and 9.1mt Inferred Resources) at 0.21% TREO, including 0.18% HREO, plus 0.89% ZrO₂ and 0.35% Nb₂O₅.
- Rare earths are critical to a wide variety of current and new technologies, including smart phones, hybrid cars, wind turbines and energy efficient light bulbs.
- The Company aims to capitalise on the strong demand for critical rare earths created by expanding new technologies. In late 2014 Hastings completed a Scoping Study of the Yangibana Project that confirmed the economic viability of the Project and in early 2015 commenced work on a Pre-Feasibility Study.

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.