



## ASX Announcement 17 June 2011



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ASX Code  
HAS (Fully Paid Ordinary Shares)

Shares on Issue  
58,500,000

Options on Issue  
37,500,000

## ACQUISITION OF YANGIBANA RARE EARTH PROJECT GASCOYNE REGION, WESTERN AUSTRALIA

- Acquires 60% of Yangibana rare earth Project in Gascoyne Region of Western Australia.
- At least nine (9) rare earth occurrences are known to occur within the Project area.
- Over 7 km of largely under explored known strike length.
- Rock Chip samples have returned high grades of up to 19.44% TREO ("Total Rare Earth Oxide").
- Over 3500 metres (80 holes) of historical RC drilling confirms grades of up to 3.21% TREO.
- Extremely high proportion of neodymium oxide values have been confirmed - up to nearly 40% of TREO grades in some samples.
- Neodymium oxide is widely considered one of the three rare earth oxides with critical supply shortages in the foreseeable future by industry experts.
- Neodymium oxide prices have risen from USD 14 per kilo in 2009 to USD 317 per kilo in June 2011. Reference: [metal-pages.com](http://metal-pages.com)

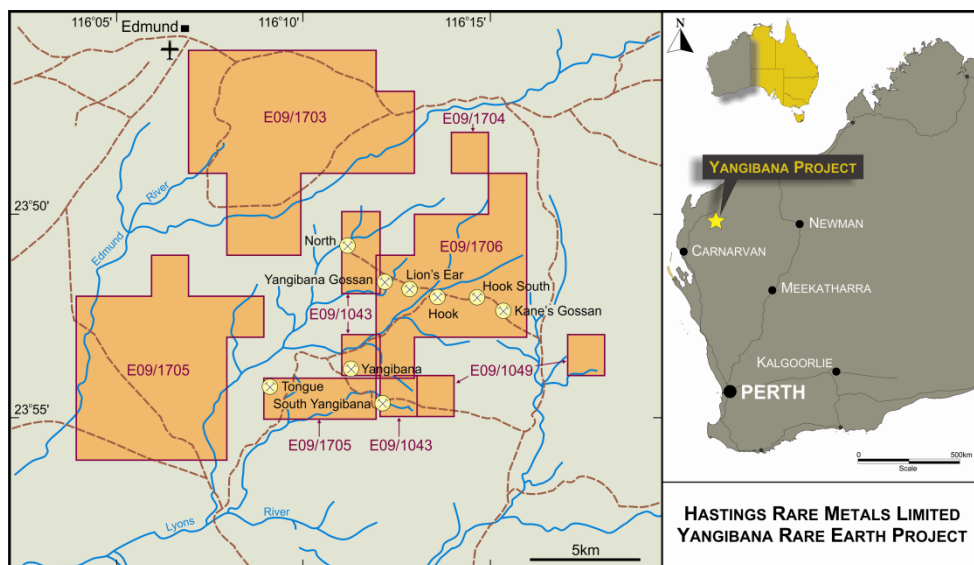


Figure 1 - Location of Yangibana Rare Earth Project

The Directors of Hastings Rare Metals Limited (ASX Code: HAS; "Hastings" or the "Company") are pleased to advise it has entered into an agreement with Artemis Resources Limited ("Artemis") to acquire a 60% interest in the Yangibana Rare Earth Project in the Gascoyne region of Western Australia. The Yangibana Rare Earth Project (the "Project") comprises six (6) granted Exploration Licences covering 68 sub-blocks and approximately 203 square kilometres. These tenements are shown in Figure 1 above.

Nine individual occurrences of rare earth elements ("REE") are known to occur within the Project area including Yangibana, Yangibana North, Yangibana South, Lions Ear, Gossan, Hook, Hook South, Kanes Gossan and Tongue.



**Figure 2 – Surface Expression of Rare Earth Mineralisation at Yangibana Rare Earth Project**

Figure 2 above shows the rare earth mineralisation surface expression of the Project in blue. The distance of traceable mineralisation is in excess of 7 kilometres although only a small portion of this is visible in the photograph.

The tenements cover the majority of the known REE occurrences in the region characterised as belonging to the carbonatite dyke intrusive style of rare earth occurrences.

The dykes occur as strong linear iron rich features generally striking in an east west orientation and semi concordant to regional magnetic trends. They are late stage intrusive bodies which have been emplaced late in the geological history of the area along zones of structural weakness and sub outcrop as irregular linear zones and are readily traceable as outcrop and anomalous geochemical trends. The REE mineralisation is hosted by a long sinuous ironstone gossan. Please refer Figure 3 below.





**Figure 3 – The Ironstone Outcrop at Yangibana Rare Earth Project**

Past exploration of the Project has included the drilling of 80 RC holes for 3500 metres which was conducted by Challenger Mining Corporation in 1988. The drilling showed that the individual anomalous REE zones extend for several hundred metres in strike and extend down to at least 50 metres vertical depth. They are variably dipping from shallow to moderately dipping (10-70 degrees) and have an average true thickness of 2-6 metres. These activities relate to only 2.2km of the potential strike length of over 7 km within the Project area.

Better intersections returned from this drilling were:

4.5m at 2.22% TREO from Yangibana North,  
3.5m of 3.21% TREO from Hook,  
4.6m at 1.83% TREO from Lion's Ear,  
7.1m at 1.43% TREO from Kane's Gossan, and  
6.0m at 1.81% TREO from Bald Hill.

More recently, in 2007-2008 fifty six (56) rock chip samples were collected over only 2 km of the 7 km strike length and returned average results of 2.84% TREO ("Total Rare Earth Oxides") including one sample of 19.44% TREO, which provides an excellent guide for further exploration.

The mineralisation composition is strongly biased towards the LREO's (Light Rare Earth Oxides) lanthanum, cerium and in particular neodymium. The unusually high neodymium oxide values as a proportion of TREO are as high as nearly 40% of TREO in some samples, or up to 6223 ppm. Neodymium is predominantly used in magnets and neodymium magnets are the strongest known permanent magnets – a neodymium magnet of only a few grams can lift one thousand times its own weight. The price of neodymium oxide has risen sharply in recent months, from an average in the March Q 2011 of USD 172 per kilo to USD 317 per kilo today. Reference: [metal-pages.com](http://metal-pages.com)

Hastings plans to evaluate the Project to determine the potential size of the prospect and to establish JORC-compliant resources, whilst undertaking metallurgical test work to identify the optimum processing route for the Yangibana Project material.

Consideration for the Project acquisition will be an Initial Payment of AUD 1,000,000 on settlement followed by a Further Payment of AUD 1,000,000 on or before 31 October 2011. These payments are expected to be made from existing cash reserves.

A Milestone Payment of AUD 2,000,000 is also payable if and when the Company completes a Feasibility Study on the Project and obtains a formal offer for Project financing.

Yours faithfully



**MATHEW WALKER**  
MANAGING DIRECTOR

**For further information please contact:**  
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**Competent Person's Statement**

*The information in this presentation that relates to Exploration Results is based on information compiled by Simon Coxhell. Simon Coxhell is a consultant to the Company and a member of the Australian Institute of Mining and Metallurgy. Simon Coxhell 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 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code"). Simon Coxhell consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.*