



HASTINGS RARE METALS LIMITED

ABN 43 122 911 399

NOTICE OF GENERAL MEETING

A general meeting of the Company will be held in the Boardroom of Norton Rose Fulbright at Level 18, 225 George Street, Sydney NSW 2000 on 14 November 2013 at 10am (AEDT).

This Notice of General Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Shareholders should note that the resolutions set out in the Notice of Meeting have not been proposed and nor are they supported by the Board of Hastings. The Board recommends that Shareholders vote against the resolutions in this notice.

HASTINGS RARE METALS LIMITED

ABN 43 122 911 399

NOTICE OF GENERAL MEETING

IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is hereby given that a general meeting of shareholders of Hastings Rare Metals Limited (**Company** or **Hastings**) will be held in the Boardroom of Norton Rose Fulbright at Level 18, 225 George Street, Sydney NSW 2000 on 14 November 2013 at 10am (AEDT) (**General Meeting** or **Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the General Meeting and forms part of this Notice.

YOUR VOTE IS IMPORTANT

The business of the Meeting affects your shareholding in the Company and your vote is important.

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7pm (AEDT) on 12 November 2013.

VOTING IN PERSON

To vote in person, attend the Meeting at the time, date and place set out above.

VOTING BY PROXY

1. (**Appointing a Proxy**): A Shareholder who is entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote for the Shareholder at the meeting. A Shareholder who is entitled to cast 2 or more votes at the Meeting may appoint a second proxy. The appointment of the second proxy must be done on a separate copy of the proxy form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the Shareholder's voting rights. If a Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise

half the votes. A duly appointed proxy need not be a Shareholder of the Company.

2. **(Chairman's voting intentions on undirected proxies)**

The Chairman of the Meeting intends to vote undirected proxies **against** each Resolution.

3. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form (and attach any authority under which it is signed or a copy which appears on its face to be an authentic copy) by:

(a) **post or in person to Hastings Rare Metals Limited, Level 9, 50 Margaret Street, Sydney, NSW 2000; or**

(b) **facsimile to the Company on facsimile number +61 2 9078 7661,**

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.

CORPORATE REPRESENTATIVE

A body corporate which is a Shareholder, or which has been appointed as a proxy, may appoint an individual to act as its representative at the meeting. Unless it has previously been given to the Company, the representative should bring evidence of their appointment to the Meeting, together with any authority under which it is signed. The appointment must comply with section 250D of the Corporations Act 2001.

ATTORNEY

A Shareholder may appoint an attorney to vote on their behalf. To be effective for the Meeting, the instrument effecting the appointment (or a copy which appears on its face to be an authentic copy) must be received by the deadline for the receipt of proxy forms (see above), being no later than 48 hours before the Meeting.

BY ORDER OF THE BOARD OF DIRECTORS

Guy Robertson
Company Secretary
Dated: 8 October 2013

AGENDA

Business

The resolutions outlined below are to be considered at a general meeting of Hastings following receipt of requisition notices, which were received by Hastings on 18 September 2013, to call a general meeting under section 249D of the *Corporations Act 2001* (Cth). Under section 249D, members holding at least 5% of the votes that may be cast at a general meeting may require the Directors to arrange to hold a general meeting at the expense of the Company.

1. Resolution 1 – Appointment of Director Foon Keong Lew

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That Mr Foon Keong (Charles) Lew be appointed as a director of the Company."

The Directors recommend that shareholders vote **against** this resolution.

For this Resolution to be passed, more than 50% of the votes cast by Shareholders present (either in person or by proxy) and entitled to vote on the Resolution must be in favour of the resolution.

2. Resolution 2 – Appointment of Director Simon Lister Wallace

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That Mr Simon Lister Wallace be appointed as a director of the Company."

The Directors recommend that shareholders vote **against** this resolution.

For this Resolution to be passed, more than 50% of the votes cast by Shareholders present (either in person or by proxy) and entitled to vote on the Resolution must be in favour of the resolution.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business specified to be conducted at the General Meeting of Hastings Rare Metals Limited to be held in the Norton Rose Fulbright Boardroom at Level 18, 225 George Street, Sydney NSW 2000 on 14 November 2013 at 10am (AEDT).

This Explanatory Memorandum is intended to provide Shareholders with information to assess the merits of the proposed resolutions contained in the accompanying Notice of Meeting.

The Directors recommend that Shareholders read the Explanatory Memorandum in full before making any decision on how to vote on the Resolution.

Background to the Meeting

Shareholders with at least 5% of the votes that may be cast at a general meeting of Hastings have the right under section 249D of the *Corporations Act* 2001 (Cth) to request the Directors of the Company to call and arrange to hold a general meeting of shareholders.

On 18 September 2013, Foon Keong Lew, Aequus Capital Pty Limited as trustee for the Sterling Superannuation Fund, Mr Robert Proe and Healthville Investments Pty Limited, collectively representing 5.04% of the capital of the Company at the time of the requisition, gave notices to the Company requisitioning that the Directors call and arrange to hold a meeting of Shareholders to consider resolutions relating to the appointment of Mr Foon Keong Lew and Mr Simon Lister Wallace as directors of the Company.

Shareholders should note that the resolutions set out in the Notice of Meeting have not been proposed and nor are they supported by the Board of Hastings.

The costs of calling and holding the meeting have to be met by Hastings.

Recommendation of the Directors

Each of the Directors recommend that shareholders vote **AGAINST** the Resolutions, for the following reasons:

- Information in relation to the background, skills and experience of Mr Lew and Mr Wallace has not been provided. The Directors understand that Mr Lew is based in Singapore and Simon Wallace, is a solicitor with Nick Stretch Legal (representing the shareholders requisitioning this meeting), who is based in Melbourne. Hastings' Directors understand that neither have any prior experience as a director of an ASX listed company and little experience in mining and exploration.
- Specific information in relation to the strategic, operational or financial objectives of Mr Lew and Mr Wallace and their intentions and policies with respect to Hastings has not been provided and the Directors do not know what they intend to achieve by seeking appointment to the board of Hastings.
- Hastings has recently strengthened its Board with the appointment of Mr Malcolm Mason B.Sc.(Hons), FAus IMM (appointed 30 May 2013) and Mr Vaz Hovanessian B.Bus (Acctng) M.App Fin ASCPA FCSA (appointed 23 September 2013, replacing Mr Steven Mackowski – who continues as technical director). Mr Mason has over 45 years' experience in Australian and international exploration and mining, with particular experience in rare earths. Mr Hovanessian has over

20 years' experience in the management of mineral exploration companies and as a director of ASX companies. Mr Hovanessian also has significant expertise in the area of corporate advice and ASX matters. This means that the Company's board now comprises Mr Anthony Ho, Mr Guy Robertson, Mr Malcolm Mason and Mr Vaz Hovanessian.

- The Directors believe that shareholder value will best be preserved and potentially increased by having a stable, experienced and co-operative Board in place. The Directors consider the Hastings Board is currently structured so as to comprise Directors with the necessary skills at a reasonable cost. The addition of two new board members will increase the costs of running the Company and may not result in any increased value for the Company. During 2013 the board has taken significant steps to reduce the overheads of the Company.

The Chairman of the Meeting intends to vote all available undirected proxies **AGAINST** these resolutions.

