

JUNE 2017 QUARTERLY REPORT

- **2017 drilling programme commenced with immediate success**
- **Extension to west of Bald Hill existing resources established**
- **High grade intersections in depth extensions at Yangibana North and Yangibana West deposits**
- **Good results from infill drilling at Auer and Auer North deposits**
- **New JORC Resource Estimation completed incorporating recent drilling results**
- **Total diluted resources now 17.02 million tonnes at 1.27% total rare earths oxide (TREO) including 0.41% neodymium plus praseodymium oxides (Nd₂O₃+Pr₆O₁₁)**
- **A 37% increase in contained TREO and a 32% increase in contained Nd₂O₃+Pr₆O₁₁ from the December 2016 resource estimate**
- **Pilot plant testing of the hydrometallurgy (Hydromet) circuits successfully validated the simple and effective flowsheet of the Yangibana Hydromet processes**
- **The pilot plant achieved or exceeded the operational process parameters set by the initial hydrometallurgy process flowsheet, with rare earths recoveries at or above 94% for water leach, 95% for impurity removal and 98.5% for carbonate precipitation**
- **50 kilograms of Mixed Rare Earths Carbonate (MREC) generated from the pilot plant**
- **Further optimisation, post-pilot Beneficiation test work at the laboratory of ALS Metallurgy in Perth, gives us more than 25% TREO grade at 85% recovery for our flotation process**
- **Hastings' Yangibana Rare Earths Project ("the Project") has been assigned as a Lead Agency Project (LAP) under the Western Australian Government Lead Agency Framework, by the Department of Mines, Industry Regulation and Safety (DMIRS; formally DMP)**
- **Positive policy changes from governments and automotive companies around the world auger well for demand growth of rare earths in the years ahead.**

DEFINITIVE FEASIBILITY STUDY UPDATE

Major Increase in JORC Resource

During the quarter, the Company's 2017 resource expansion and infill drilling programme commenced. Major progress has been made during the period with holes at Bald Hill, Fraser's, Yangibana North and Yangibana West expected to feed results into the upcoming Definitive Feasibility Study, and with lesser drilling at Auer and Auer North and new targets at Yangibana and Simon's Find.



Significant intersections achieved during the period included the following.

Bald Hill

| Hole No BHRC | From | To | Interval | %TREO | %Nd ₂ O ₃ +Pr ₆ O ₁₁ |
|-----------------|------|-----|----------|-------|--|
| 273 | 82 | 84 | 2 | 2.43 | 0.95 |
| 278 | 64 | 70 | 6 | 1.90 | 0.74 |
| 281 | 91 | 93 | 2 | 1.79 | 0.59 |
| 282 | 80 | 88 | 8 | 1.84 | 0.61 |
| 283 | 75 | 97 | 22 | 1.67 | 0.61 |
| incl | 75 | 84 | 9 | 2.56 | 0.98 |
| and | 91 | 97 | 6 | 1.85 | 0.63 |
| 285 | 104 | 113 | 9 | 1.05 | 0.33 |
| 291 | 47 | 55 | 8 | 1.30 | 0.47 |
| incl | 47 | 50 | 3 | 2.48 | 0.88 |
| 292 | 60 | 64 | 4 | 1.63 | 0.66 |
| 296 | 8 | 12 | 4 | 2.87 | 1.12 |
| 297 | 107 | 124 | 17 | 1.20 | 0.44 |
| 301 | 117 | 128 | 11 | 0.95 | 0.36 |
| 302 | 57 | 64 | 7 | 1.63 | 0.58 |
| 303 | 3 | 10 | 7 | 1.48 | 0.57 |
| 304 | 46 | 50 | 4 | 1.28 | 0.48 |
| 306 | 77 | 80 | 3 | 3.23 | 1.12 |
| 307 | 89 | 92 | 3 | 3.27 | 1.07 |
| 309 | 55 | 67 | 12 | 1.61 | 0.60 |
| incl | 55 | 60 | 5 | 1.78 | 0.66 |
| and | 64 | 67 | 3 | 3.30 | 1.22 |
| 310 | 41 | 44 | 3 | 3.04 | 1.18 |
| 311 | 66 | 68 | 2 | 1.08 | 0.40 |
| | 75 | 81 | 6 | 0.94 | 0.37 |
| 313 | 36 | 40 | 4 | 3.11 | 1.14 |
| 314 | 89 | 99 | 10 | 2.26 | 0.78 |
| 315 | 126 | 130 | 4 | 1.36 | 0.45 |
| 316 | 113 | 116 | 3 | 2.23 | 0.77 |
| 317 | 71 | 79 | 8 | 1.13 | 0.44 |
| 318 | 78 | 86 | 8 | 2.02 | 0.78 |
| 320 | 114 | 117 | 3 | 2.06 | 0.69 |
| 321 | 100 | 107 | 7 | 1.86 | 0.69 |
| 322 | 81 | 88 | 7 | 1.50 | 0.58 |
| 324 | 86 | 91 | 5 | 0.97 | 0.35 |
| 325 | 83 | 93 | 10 | 1.11 | 0.43 |

Fraser's



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| Hole No FRRC | From | To | Interval | %TREO | %Nd ₂ O ₃ +Pr ₆ O ₁₁ |
|-----------------|------|-----|----------|-------|--|
| 119 | 31 | 36 | 5 | 1.39 | 0.68 |
| 122 | 112 | 113 | 1 | 2.11 | 0.81 |
| 126 | 17 | 19 | 2 | 2.05 | 0.97 |
| 127 | 112 | 115 | 3 | 1.35 | 0.53 |

Yangibana West

| Hole No YWRC | From | To | Interval | %TREO | %Nd ₂ O ₃ +Pr ₆ O ₁₁ |
|-----------------|------|----|----------|-------|--|
| 69 | 36 | 40 | 4 | 1.29 | 0.34 |
| 70 | 39 | 41 | 2 | 0.96 | 0.25 |
| 72 | 67 | 70 | 3 | 2.67 | 0.69 |
| 73 | 70 | 77 | 7 | 2.26 | 0.60 |
| 74 | 64 | 71 | 7 | 2.61 | 0.67 |

Yangibana North

| Hole No YGRC | From | To | Interval | %TREO | %Nd ₂ O ₃ +Pr ₆ O ₁₁ |
|-----------------|------|----|----------|-------|--|
| 77 | 40 | 42 | 2 | 2.10 | 0.53 |
| 78 | 66 | 68 | 2 | 2.19 | 0.55 |
| 79 | 44 | 48 | 4 | 2.45 | 0.62 |
| 80 | 46 | 52 | 6 | 3.81 | 0.88 |
| 81 | 48 | 51 | 3 | 2.80 | 0.60 |
| 82 | 30 | 35 | 5 | 2.00 | 0.50 |
| 83 | 60 | 66 | 6 | 3.86 | 0.91 |
| 84 | 58 | 66 | 8 | 2.17 | 0.52 |
| 85 | 51 | 53 | 2 | 3.20 | 0.78 |
| 88 | 32 | 37 | 5 | 1.70 | 0.42 |
| 90 | 16 | 19 | 3 | 5.24 | 1.40 |
| 91 | 24 | 27 | 3 | 4.54 | 1.20 |
| 92 | 39 | 45 | 6 | 1.81 | 0.45 |
| 93 | 30 | 32 | 2 | 2.42 | 0.45 |

Auer and Auer North

| Hole No | From | To | Interval | %TREO | %Nd ₂ O ₃ +Pr ₆ O ₁₁ |
|---------|------|----|----------|-------|--|
| ANW1 | 72 | 88 | 16 | 1.70 | 0.59 |
| ANRC51 | 7 | 15 | 8 | 1.43 | 0.62 |
| ANRC52 | 12 | 22 | 10 | 2.21 | 0.74 |
| ANRC53 | 6 | 11 | 5 | 2.48 | 0.79 |
| ANRC54 | 13 | 21 | 8 | 2.36 | 0.94 |
| ANRC55 | 31 | 38 | 7 | 1.27 | 0.41 |



| | | | | | |
|--------|----|----|---|------|------|
| ANRC56 | 69 | 78 | 9 | 0.79 | 0.27 |
| AURC47 | 12 | 15 | 3 | 1.59 | 0.54 |
| AURC48 | 16 | 20 | 4 | 2.22 | 0.80 |
| AURC50 | 5 | 12 | 7 | 1.60 | 0.53 |

The locations of drill holes completed during the quarter is shown in Figure 1.

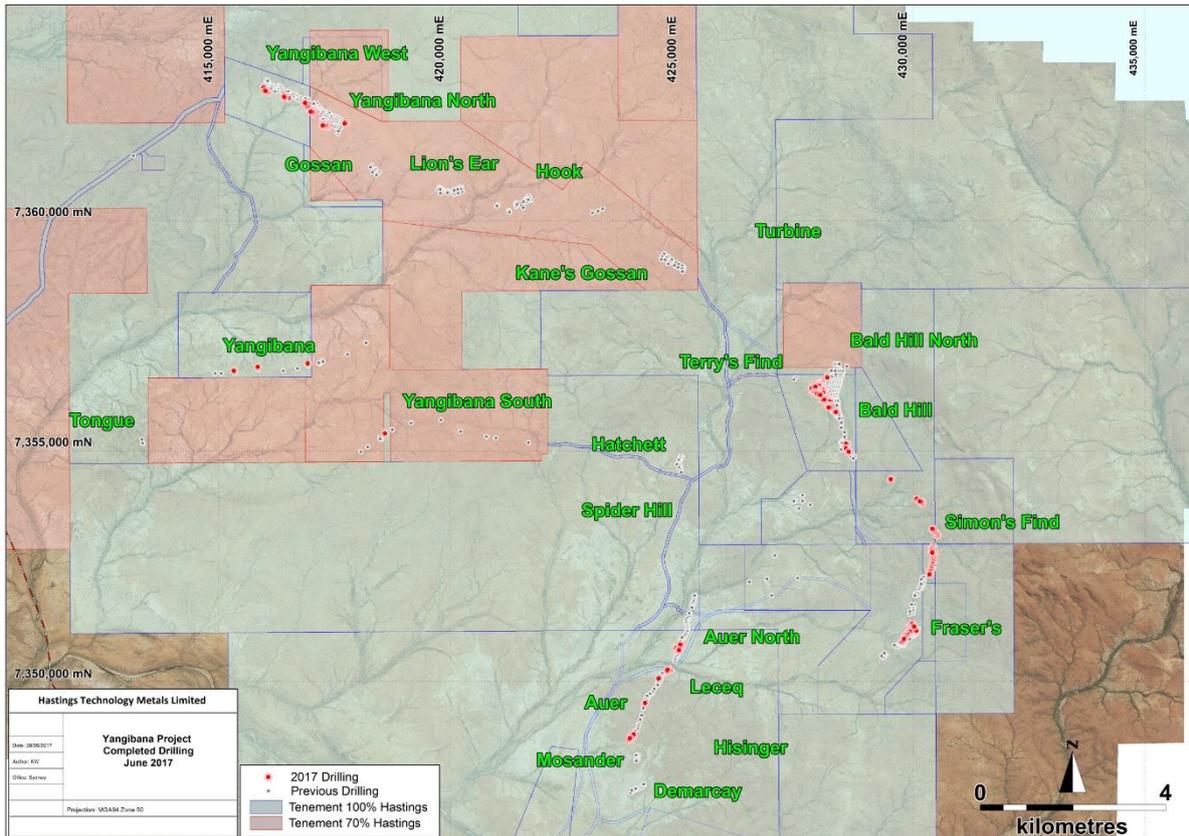


Figure 1 – Yangibana Project – Drilling completed in June Quarter 2017

All holes drilled at Bald Hill tested the western, deeper extension to the current JORC Resources. Two areas of high potential have been identified.

At Fraser’s drilling tested the potential northwestern extension to the current JORC Resources with limited success.

Drilling at both Yangibana West and Yangibana North tested the southern, deeper extension to the current JORC Resources. Excellent intersections were achieved and both deposits remain strongly open at depth.

Limited drilling completed to date at Auer and Auer North has mainly infilled current JORC Resources to upgrade these resources. AURC50 tested a new northern extension to the defined Auer deposit and indicates potential for additional resources in this area.

Limited drilling was completed during the quarter at Simon's Find and Yangibana prospects. Results are yet to be received from drilling those tested areas with no current JORC Resources.

Recent drilling results are now incorporated in an updated resource estimate completed by independent consultant Lynn Widenbar, Principal of Widenbar and Associates. These new resources indicate a major increase in overall resource tonnes, with a 37% increase in the tonnes of contained total rare earths oxide (TREO) and a 32% increase in the tonnes of contained neodymium and praseodymium oxides. The combined Measured plus Indicated Resources have increased to over 10.1 million tonnes, with almost 5.8 million tonnes occurring in the Eastern Belt (Bald Hill and Fraser's) that is the focus of metallurgical testwork and process design.

The new total diluted resources:-

| Category | Tonnes | Nd ₂ O ₃ +Pr ₆ O ₁₁ | TREO | Nd ₂ O ₃ | Pr ₆ O ₁₁ |
|--------------|-------------------|---|-------------|--------------------------------|---------------------------------|
| | | % | % | ppm | ppm |
| Measured | 2,921,000 | 0.42 | 1.04 | 3,370 | 800 |
| Indicated | 7,190,000 | 0.44 | 1.43 | 3,420 | 950 |
| Inferred | 6,904,000 | 0.37 | 1.21 | 2,860 | 800 |
| TOTAL | 17,016,000 | 0.41 | 1.27 | 3,180 | 870 |

These resources occur in a number of deposits as shown in Figure 5. The resources incorporate dilution based on 0.5m beyond both the footwall and the hangingwall to the mineralisation. Average dilution over the total resource is 27%.

Of the total resources Hastings holds a 100% interest in the following resources:-

| Category | Tonnes | Nd ₂ O ₃ +Pr ₆ O ₁₁ | TREO | Nd ₂ O ₃ | Pr ₆ O ₁₁ |
|--------------|-------------------|---|-------------|--------------------------------|---------------------------------|
| | | % | % | ppm | ppm |
| Measured | 2,921,000 | 0.42 | 1.03 | 3,370 | 800 |
| Indicated | 4,543,000 | 0.46 | 1.40 | 3,660 | 980 |
| Inferred | 4,281,000 | 0.38 | 1.13 | 3,000 | 820 |
| TOTAL | 11,745,000 | 0.42 | 1.21 | 3,350 | 880 |

and a 70% interest in the following resources:-

| Category | Tonnes | Nd ₂ O ₃ +Pr ₆ O ₁₁ | TREO | Nd ₂ O ₃ | Pr ₆ O ₁₁ |
|--------------|------------------|---|-------------|--------------------------------|---------------------------------|
| | | % | % | ppm | ppm |
| Indicated | 2,647,000 | 0.46 | 1.80 | 3,500 | 1,090 |
| Inferred | 2,623,000 | 0.38 | 1.48 | 2,870 | 890 |
| TOTAL | 5,270,000 | 0.44 | 1.64 | 3,190 | 990 |

The updated resources of 17.02 million tonnes at 1.27% TREO including 0.41% Nd₂O₃+Pr₆O₁₁ represent a significant increase and upgrade compared to the December 2016 resource estimate, which stood at 13.4 million tonnes at 1.18% TREO including 0.39% Nd₂O₃+Pr₆O₁₁.

Significantly, the contained TREO has increased to 216,000 tonnes, a 37% increase on the December 2016 estimate of 157,950 tonnes, and contained Nd₂O₃+Pr₆O₁₁ has increased to 68,900 tonnes, a 32% increase on the December 2016 estimate of 52,400 tonnes. This indicates a substantial increase in the value of each tonne of resource in the ground.

Metallurgy Progress

Metallurgical test work continues to progress well. The Company completed the hydrometallurgy continuous pilot plant testing at ANSTO Minerals, a business unit of the Australian Nuclear Science and Technology Organisation, located in Lucas Heights, New South Wales.

Using commercially-available equipment (see Figures 2, 3 and 4) and reagents, and incorporating standard industry practices, the hydrometallurgy pilot plant validated years of work by Hastings researchers, by successfully demonstrating the viability and scalability of its hydrometallurgical process.

The pilot plant achieved or exceeded the operational process parameters set by the initial hydrometallurgy process flowsheet, with **rare earths recoveries at or above 94% for water leach, 95% for impurity removal and 98.5% for carbonate precipitation**. The major product impurities of manganese, iron, thorium and uranium were removed or controlled within acceptable product range.

Over 50 kilograms of MREC (Figure 5) have been produced from the pilot plant.

The metallurgy team is now conducting variability test work, and are determining the compatibility of the process flowsheet with some variation in mineral composition across the overall drilled out deposits. This work will provide an in-depth understanding of the range of



minerals and how they may impact the current standard flotation circuit design. This, in turn, will guide the blending requirements for the different ore bodies during production.



Figure 2 Hydrometallurgical Pilot Testing - Acid Bake Kiln



Figure 3 Hydrometallurgical Pilot Testing – Water Leach Circuit



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Figure 4 Hydrometallurgical Pilot Testing – Neutralisation and Precipitation Circuit

The post Hydromet pilot study is progressing well to further optimise the performance of the process and close out a few small issues identified from pilot plant studies.

Further optimisation, post-pilot beneficiation test work at the lab of ALS Metallurgy in Perth, provides more than **25% TREO grade at 85% recovery for the flotation process.**



Figure 5 MREC Product Filter Cake

Commercial Progress

Physical samples of the MREC have been sent to potential TREO Separators and end-users, as well as magnet users in Europe, China and US.

Non-Disclosure Agreements (NDA) have been signed by potential customers and comparative testing will be conducted to confirm the exceptional MREC composition. With confirmed high Neodymium and Praseodymium oxide content (43% or Total Rare Earths Oxide); and with the announcements of key industries like the automotive industry switching to e-mobility rapidly, the interest to secure a major part of Hastings' MREC has been significant.

Applications and Permits

Since lodging key Approvals documentation with the Western Australia Environmental Protection Authority (EPA) and Department of Mines, Industry Regulation and Safety (DMIRS; formally DMP), and the Commonwealth Department of the Environment and Energy (DoEE), Hastings has now been granted lead agency status by the DMIRS. The Western Australian government recognises the importance of the Project, and only offers high priority support and assistance to a few select number of resource projects under the globally recognised Lead Agency Framework.

Hastings formally presented the Project to the EPA. The Project approvals took a significant step forward with the EPA adopting the Environmental Scoping Document (ESD) on the 22nd of May, 2017 (<http://www.epa.wa.gov.au/proposals/yangibana-rare-earths-project>). Under the guidance of the DMIRS Lead Agency Framework, Hastings is currently responding to the work program in the EPA's approved ESD through an iterative review process.

Positive Market Developments

The trend towards renewable and clean energy is gathering pace. The following headline news items being noteworthy in the period:

- "India aiming for all-electric car fleet by 2030...." [Times of India, 30-Apr-2017]
- "France to 'ban all petrol and diesel vehicles by 2040.'" [The Telegraph, 6-Jul-2017]
- "UK plans to ban sale of new petrol and diesel cars by 2040." [Financial Times, 26-Jul-2017]
- "Volvo: Car manufacturer goes electric, ditched vehicles powered solely by internal combustion engine." [ABC News, 6-Jul-2017]
- "Black cab turns green as all-new electric London taxi launches." [The Guardian, 11-Jul-2017]
- "Volkswagen plans to 'leapfrog' Tesla in electric car race." [Financial Times, 8-May-2017]
- "Floating Offshore Wind has come of Age. Now it's ready to scale." [Greentechmedia.com, 6-Jul-2017]
- "Kansas joins elite '5GW wind club' as big projects come on line." [GWEC.com, 28-Jul-2017]
- "China will have 403 GW of installed wind energy capacity by 2026." [evwind.es, 29-Jun-2017]

Hastings anticipates that these trends will grow demand of rare earths over the next two decades, and in particular Nd-Pr which form the critical permanent magnet components in many of these applications. The higher demand for Nd-Pr will coincide with the expected commencement of production at Yangibana in late 2019.

BROCKMAN PROJECT

No work was carried out on the Brockman Project during the quarter.



CORPORATE

The Company completed a fully underwritten Share Purchase Plan in July 2017 raising \$5 million with the issue of 58,139,503 shares at 8.6 cents per share.

Mr Guy Robertson, CFO and Company Secretary, has been appointed to the Board with effect from today's date assuming the position of Finance Director and Company Secretary.

TERMINOLOGY USED IN THIS REPORT

Total Rare Earths Oxides, TREO, is the sum of the oxides of the light rare earth elements lanthanum (La), cerium (Ce), praseodymium (Pr), neodymium (Nd), and samarium (Sm) and 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).

***Accumulation** is the product of intersected length by grade, such that the intersection in BHW04 of 23m at 1.87%TREO provides an accumulation of 23 times 1.87 equals 43m%TREO. An intersection of 2m at 1.5%TREO, which would still have potential economic significance, would have an accumulation of 3m%TREO.

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About Hastings Technology Metals

- Hastings Technology Metals is a leading Australian rare earths company, with two rare earths projects hosting JORC-compliant resources in Western Australia.
- The Yangibana Project hosts JORC Indicated and Inferred Resources totalling 17.02 million tonnes at 1.27% TREO (comprising Measured Resources of 2.92 million tonnes at 1.04% TREO, Indicated Resources of 7.19 million tonnes at 1.43% TREO and Inferred Resources of 6.90 million tonnes at 1.21% TREO), including 0.41% Nd₂O₃+Pr₂O₃.
- The Brockman deposit contains JORC Indicated and Inferred Resources totalling 41.4 million tonnes (comprising 32.3 million tonnes Indicated Resources and 9.1 million tonnes Inferred Resources) at 0.21% TREO, including 0.18% HREO, plus 0.36% Nb₂O₅ and 0.90% ZrO₂.
- 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.

Competent Persons' Statement

The information in this announcement that relates to Resources is based on information compiled by Lynn Widenbar. Mr. Widenbar 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.



TENEMENT SCHEDULE

as at 30 June 2017 (All tenements are in Western Australia)

YANGIBANA PROJECT

Hastings Technology Metals Ltd

Es09/2084, 2086, 2095, 2129 - 100%

P09/482 - 100%

M09/157 - 100%

Gascoyne Metals Pty Limited (100% subsidiary)

Es09/1989, 2007, 2137, - 100%

Es09/1043, 1703, 1704, 1705, 1706 - 70%

Ms09/159, 161, 163 - 70%

Ms09/160, 164, 165 - 100%

G09/10 - 100%

G09/11, 13, 14 - 70%

L09/66-72, 74, 75, 80-83 - 100%

Yangibana Pty Limited (100% subsidiary)

Es09/1700, 1943, 1944, 2018 - 100%

Ms09/158, 162 - 100%

Gs09/16-18 - 100%

BROCKMAN PROJECT

Brockman Project Holdings Pty Limited (100% subsidiary)

P80/1626 to 1635 - 100%

E80/4555 - 100%