
Critical Rare Earths A Strategic Investment Opportunity

Investor Presentation | November 2014



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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Key reasons to invest in Hastings

**Leading Australian
Rare Earths
Company**

**Established two
JORC Resources**

**Projects contain
predominantly CREO
and HREO**

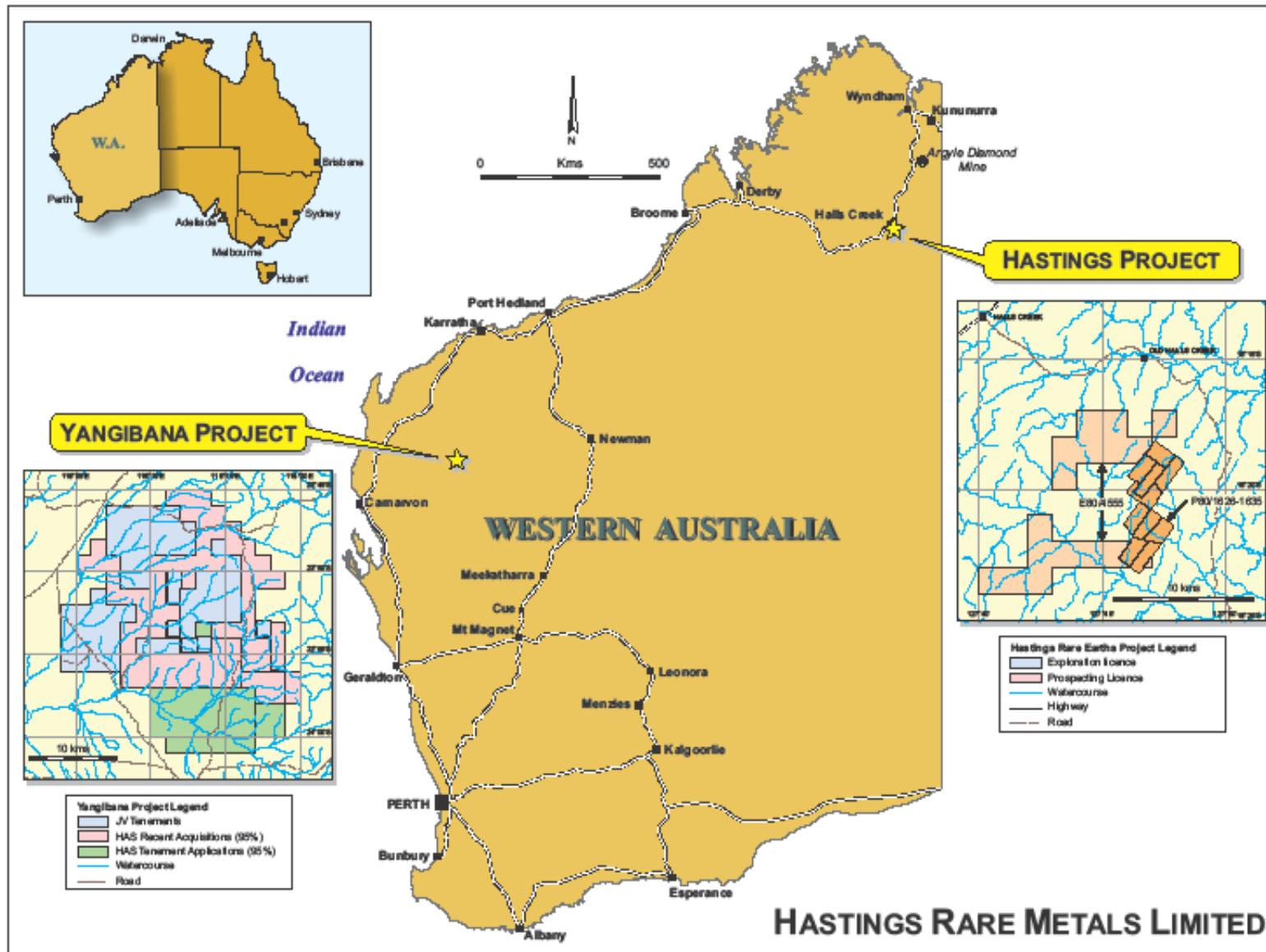
**Increasing global
demand for Critical
and Heavy Rare
Earths**

**Limited global supply
and strategically
valuable commodity**

**Experienced
management team**

- “ Hastings Rare Metals (ASX: HAS) owns **two rare earths projects (Yangibana 70-100%) and (Hastings 100%) both in Western Australia**
- “ Yangibana contains predominance of critical rare earths Neodymium, Dysprosium and Europium (and Praseodymium)
- “ Yangibana JORC Resource 6.79 million tonnes at 1.52% 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 JORC Resource 37.2 million tonnes at 2,100ppm TREO including 1,800ppm HREO plus 3,550ppm Niobium Oxide
- “ Hastings has a highly experienced management team with a solid financial and technical background
- “ Hastings team has >20 years combined experience in rare metals/rare earths industry

Yangibana and Hastings Rare Earth Projects



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



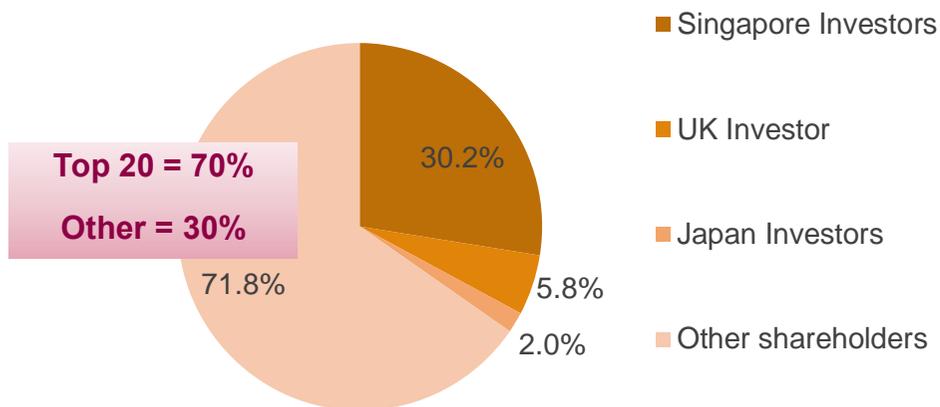
Andy Border

General Manager Exploration

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

Existing shareholders*

Shareholders



Shares on issue	261 million
Unlisted options	20 million
Market capitalisation (at 7c)	\$18 million
Cash (September 2014)	\$2.6 million

* October 2014

- “ HAS enjoys strong shareholder support in Asia
- “ HAS is in preliminary discussions with a number of strategic partners who seek valuable Critical Rare Earths supply

Introduction to Rare Earths



Uses of Rare Earths

HAS targets to fill a niche supply market outside of China for selected
Critical and Heavy Rare Earths elements

"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

HAS can supply Critical Rare Earths

HAS projects contain significant quantities of “critical” rare earths

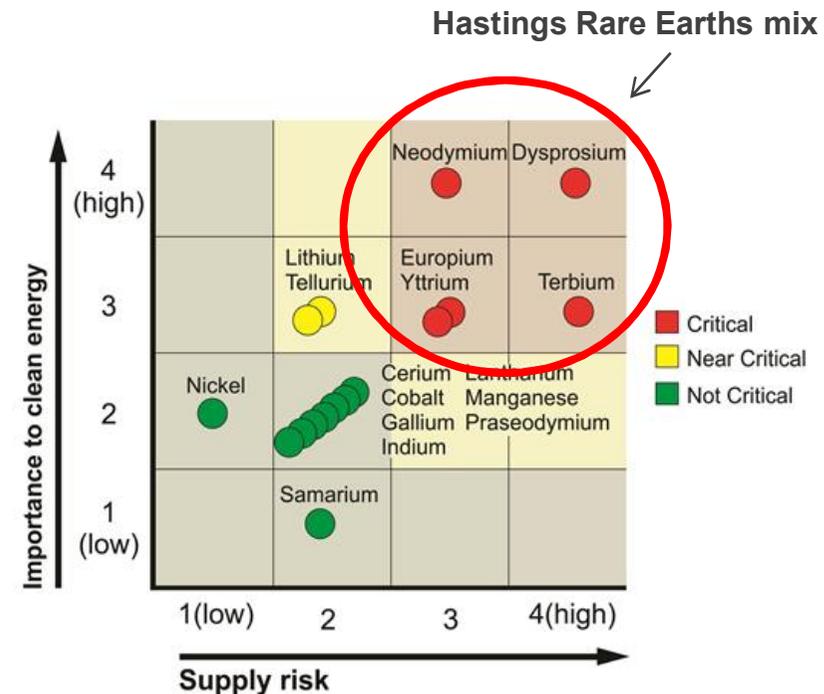
Yangibana Project

- “ **Neodymium (and Praseodymium):** Major components of the most widely used permanent magnets, also in lasers and glass
- “ **Dysprosium:** A key element of permanent magnets used in applications such as wind turbine generators and electric and hybrid vehicles
- “ **Europium:** Utilised as a phosphor activator in colour flat-screen TVs and computer monitors

Hastings Project

- “ **Dysprosium**
- “ **Yttrium:** Utilised in making energy efficient phosphors used in televisions, displays and lighting

Rare Earths Critical Supply Matrix (5-15yr)



US Department of Energy (Dec 2011)

Critical Rare Earth Oxide Prices

Current commodity prices of Critical Rare Earths Oxides (CREOs)

23rd October 2014 – (Source “Metal Pages”)

“ Neodymium –	US\$59.50/kg
“ Praseodymium –	US\$119.50/kg
“ Dysprosium –	US\$340/kg
“ Europium –	US\$725/kg
“ Yttrium –	US\$13.30/kg

- “ Hence the value of the Yangibana mineralisation is predominantly derived from neodymium (Nd), praseodymium (Pr), europium (Eu) and dysprosium (Dy). The value of the Hastings mineralisation is predominantly derived from dysprosium (Dy) and yttrium (Y).
- “ Note that Nd, Pr and Dy are critical components of the major end-use of rare earths, the super magnet sector that is also the area with the highest anticipated growth rate.
- “ Prices for the four critical rare earths have remained relatively static in a falling market over the past 24 months

Hastings Rare Metals Limited - Year 2014

**New Management
New Strategic Plan
Continuing Successes Meeting Objectives**



Change in Management

December 2013 Charles Lew becomes Chairman of Hastings

February 2014: Strategy Meeting to review the Company's future

Decisions made:

- “ Rare Earths would remain the commodity of focus for Hastings.
- “ Hastings would seek to put an Australian REO project into production.
- “ Hastings and Yangibana Projects would be first investigated to determine if either had sufficient potential to warrant immediate further evaluation.
- “ *Note: At that time Hastings Project had a JORC Resource while Yangibana Project comprised a series of prospects tested by limited historical RC drilling.*
- “ Business plan formulated comprising a two stage programme
- “ Stage 1: would investigate Hastings and Yangibana

Stage 1 Programme

Hastings Project Evaluation

Main Zone

- “ Previous drilling by the Company had defined a JORC Resource of 36mt averaging 0.21% TREO of which 80% was HREO, plus significant niobium oxide content. The mineralisation is fine grained and difficult to beneficiate.
- “ To significantly improve the economics of the Hastings project higher grades and/or coarser grained mineralisation amenable to beneficiation needed to be found.
- “ A RC drilling programme was planned to test the continuation of the Main Zone to the south and two prospects, Levon and Haig to the east and south-east

Southern Extension

- “ was drilled and successfully defined a continuation of the Main Zone. Grades were some 20% higher but mineralisation was fine-grained; similar to the Main Zone.

Levon and Haig

- “ were found to be mineralised but of lower grade and similarly fine-grained.

Conclusion: Further work to be undertaken on metallurgy in the year ahead, but the priority project for 2014 would be the Yangibana project.

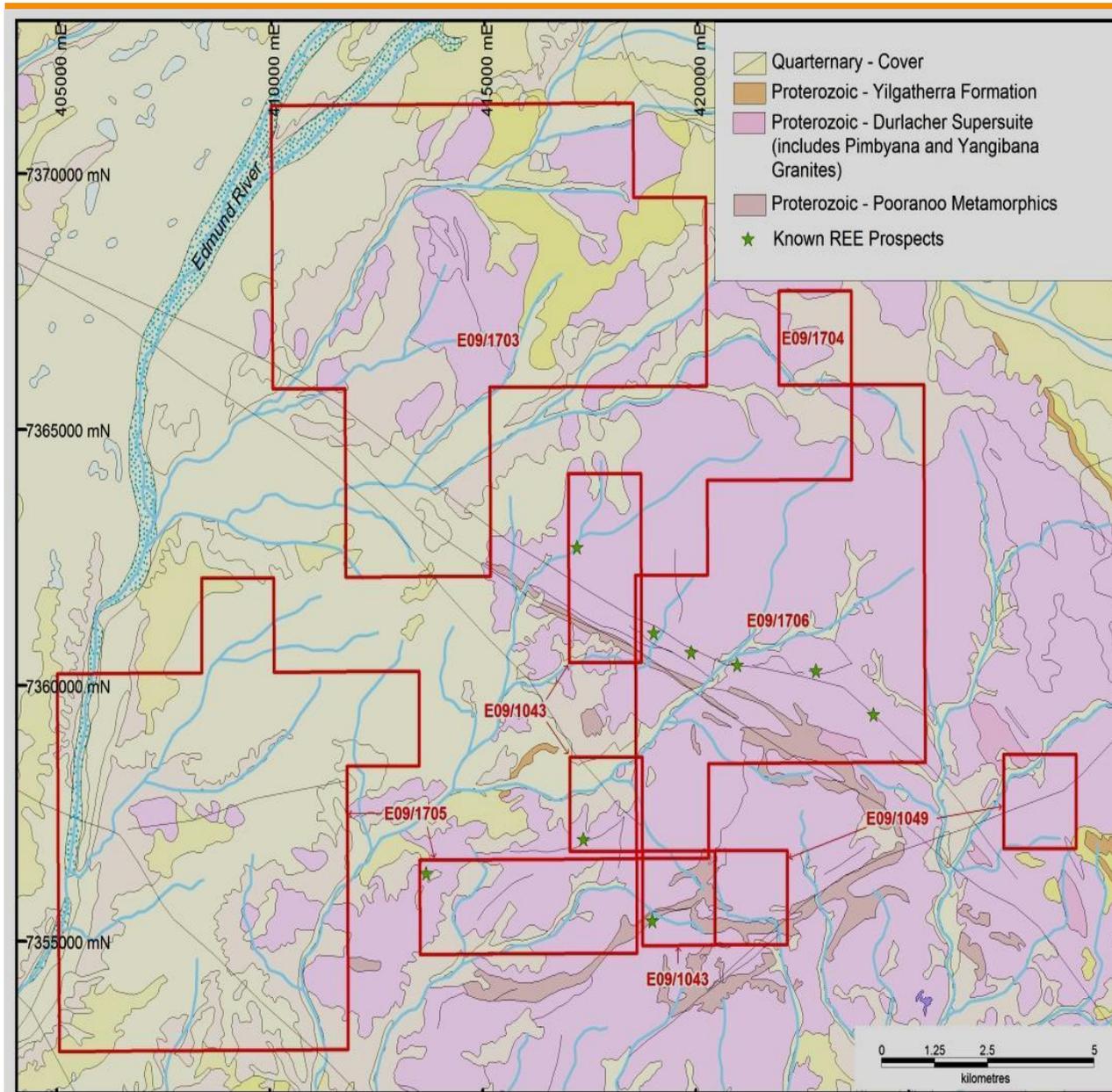
Stage 1 Programme: Yangibana Project Title and Ownership

Objective: As part of the Strategy it was decided that title and ownership would be investigated to consolidate ownership and increase land holdings ensuring control of all ground with potential for REE deposits

- “ All open ground potentially covering Yangibana style Rare Earth mineralisation was pegged (Hastings now holds a 100% interest)
- “ A further 10% interest in the Yangibana Joint Venture tenements was purchased from Artemis Resources Limited adding to the 60% already held. (ie Hastings now holds a 70% interest)
- “ 95% interests were purchased in tenements covering Bald Hill South and Frasers Prospects.
- “ In Oct 2014 the remaining 5% interest in Bald Hill South was purchased (Hastings now holds a 100% interest)

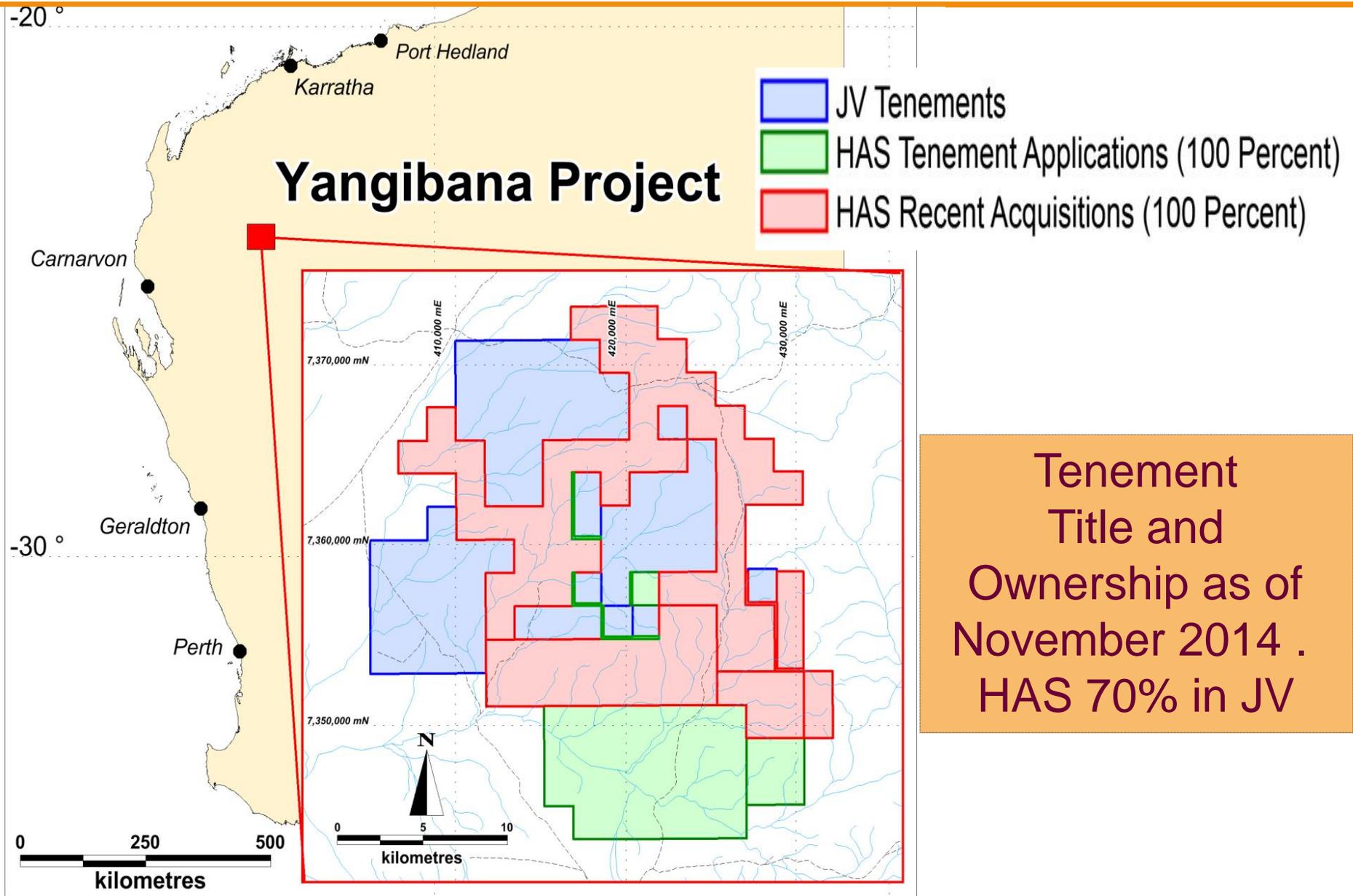
Conclusion: Hastings holds a majority interest and management in all ground considered prospective for Yangibana style Rare Earth mineralisation.

Stage 1 Programme: Yangibana Project Title and Ownership

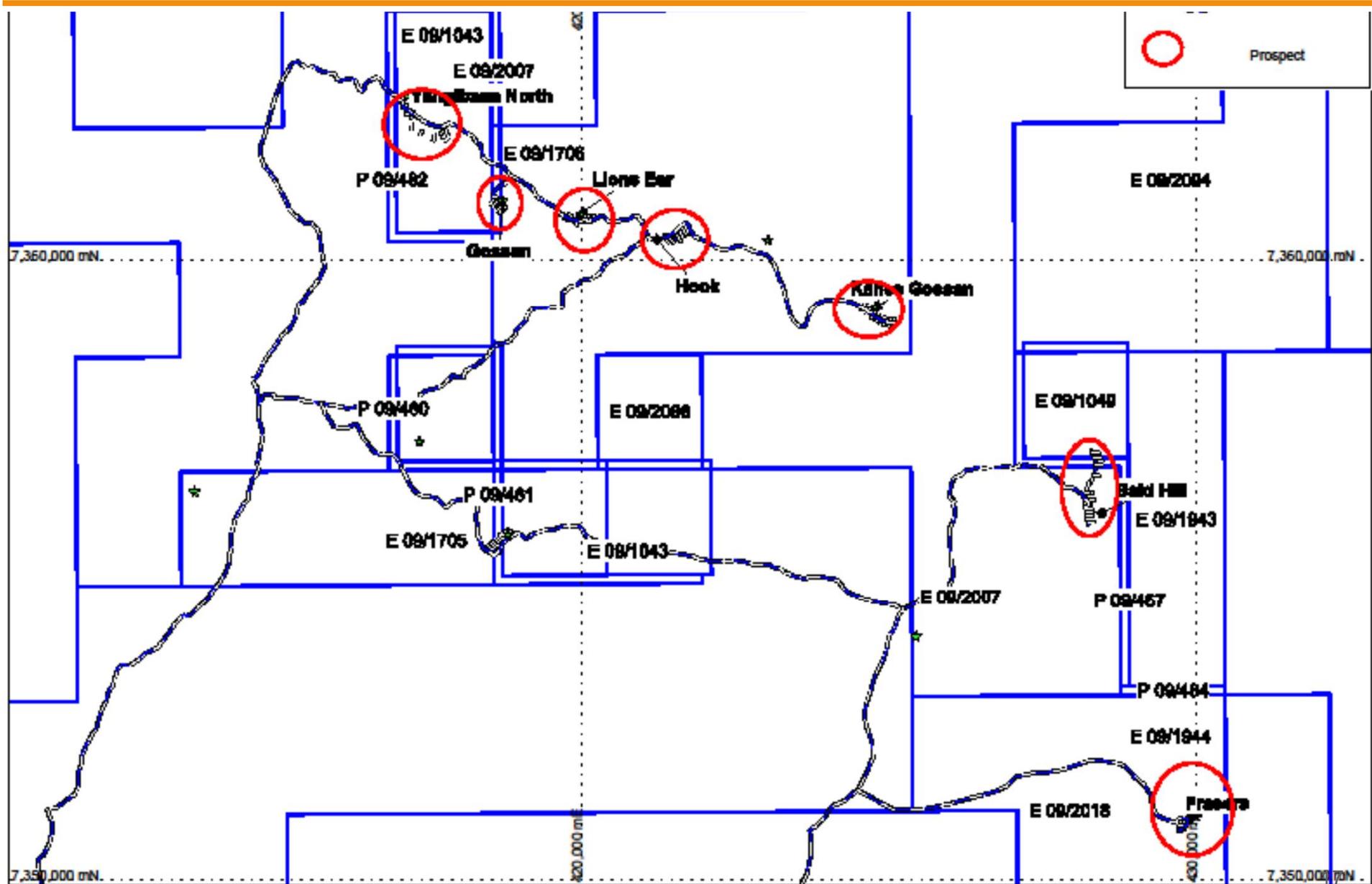


Tenement
Title and
Ownership as of
January 2014 .
HAS 60% in JV

Stage 1 Programme: Yangibana Project Title and Ownership

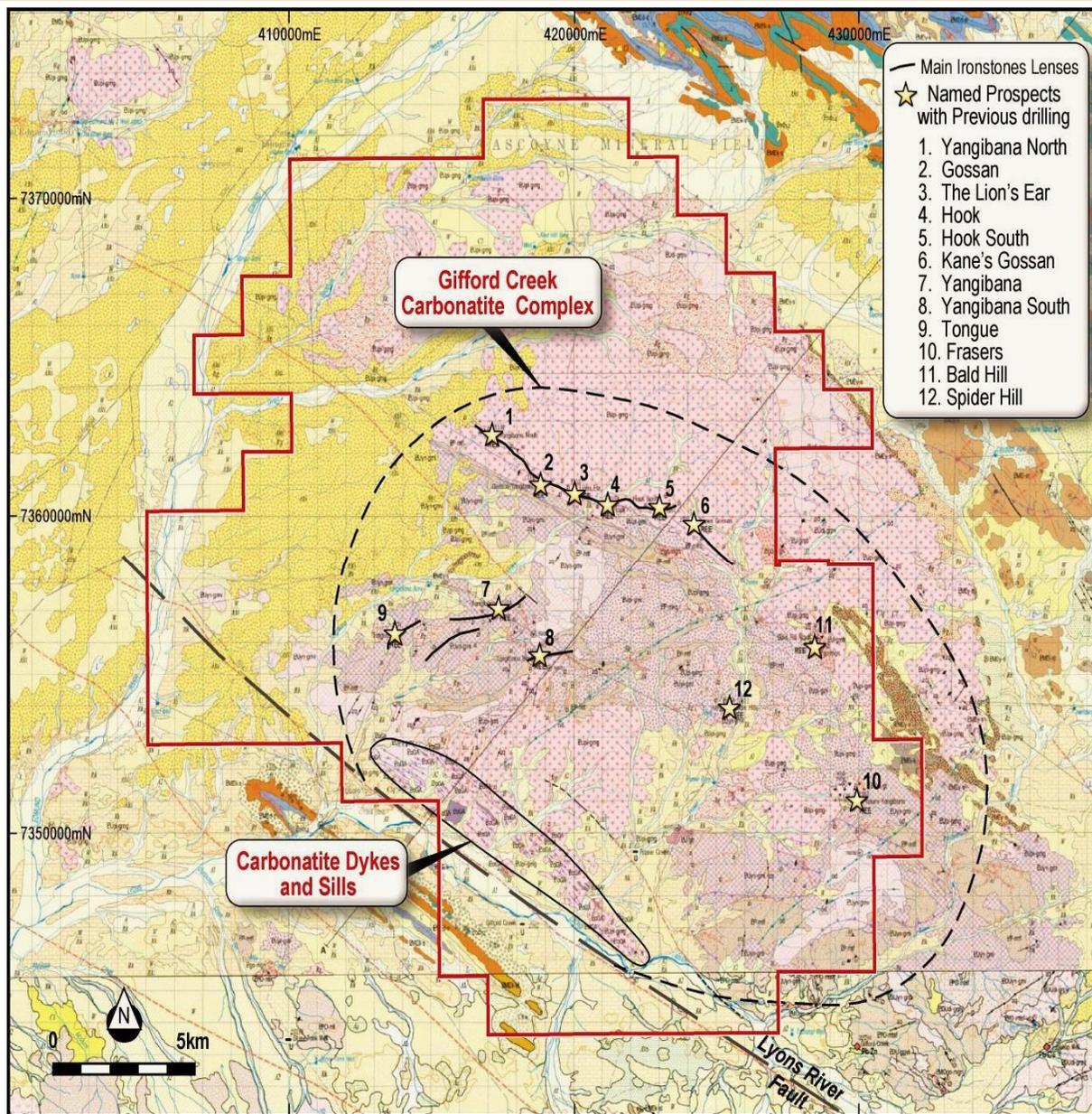


Stage 1 Programme: Yangibana Project Title & Ownership November 2014



Stage 1 Programme

Yangibana Project Historical Exploration



“ **Historical exploration** including drilling in the 1980s had located Rare Earths mineralisation at eleven prospects.

“ A non-JORC Resource Estimate gave a total resource of 3.5mt at a grade of 1.7% TREO

Stage 1 Programme Yangibana Project Drilling

Objective: The Stage 1 Programme was designed to determine if the North Yangibana prospect, which was considered to have the best potential, was of sufficient size, grade and geometry to indicate it was of economic interest either alone or in conjunction with some, or all of the other prospects.

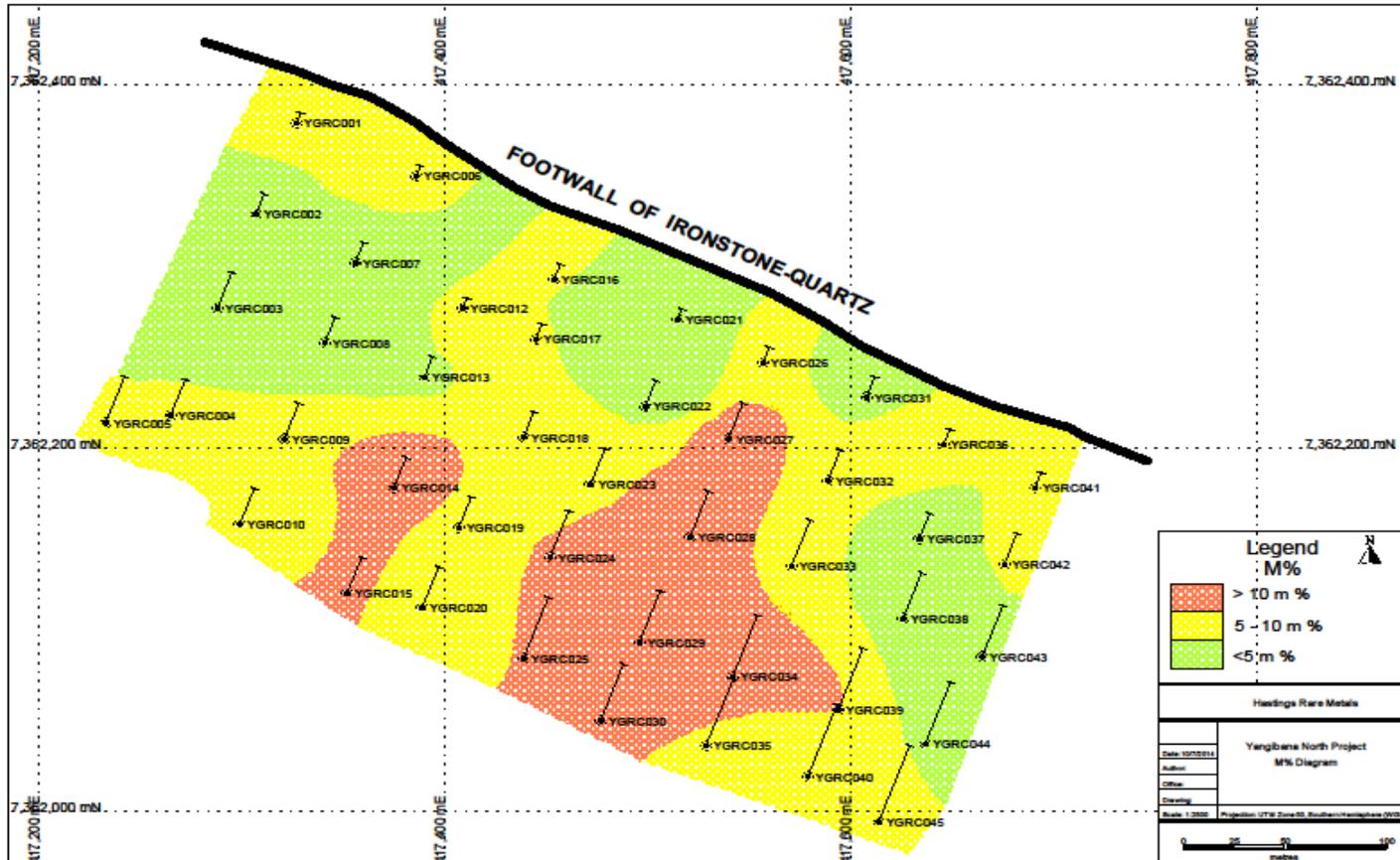
If so, Stage 2 Programme would be implemented.

Work Carried Out:

- “ A RC drilling programme was successfully completed in April 2014.
- “ A total of 44 holes (totalling 1,010m) were completed on a 50m by 50m grid
- “ Tested 450m of strike to 220m down-dip (maximum 80m vertically below surface)

Stage 1 Programme Yangibana

Drill location and metre%TREO plan



Stage 1 Programme: Yangibana North Prospect

RC Drill Hole Assay Results

Results: The Yangibana North Deposit proved to contain significant Rare Earth Mineralisation.

Best drill hole intersections were .

Hole No	Interval	TREO	Nd ₂ O ₃	Pr ₂ O ₃	Dy ₂ O ₃	Eu ₂ O ₃
	(metres)	(%)	(ppm)	(ppm)	(ppm)	(ppm)
25	9	1.14	2329	664	36	75
27	5	3.33	6541	2034	54	196
28	7	3.30	6389	2004	44	120
29	8	3.06	6106	1843	58	130
30	4	3.19	6275	1969	40	113
34	4	3.49	7068	2121	59	154
39	3	3.39	6945	2133	47	134

Rare Earth mineralisation at Yangibana North Prospect crops out for the full distance drilled and along strike both to the east and west. Drilling did not locate a limit to mineralisation at depth. *The mineralisation is therefore open in all directions.*

Stage 1 Programme: Yangibana North Prospect

Maiden JORC Compliant Resource

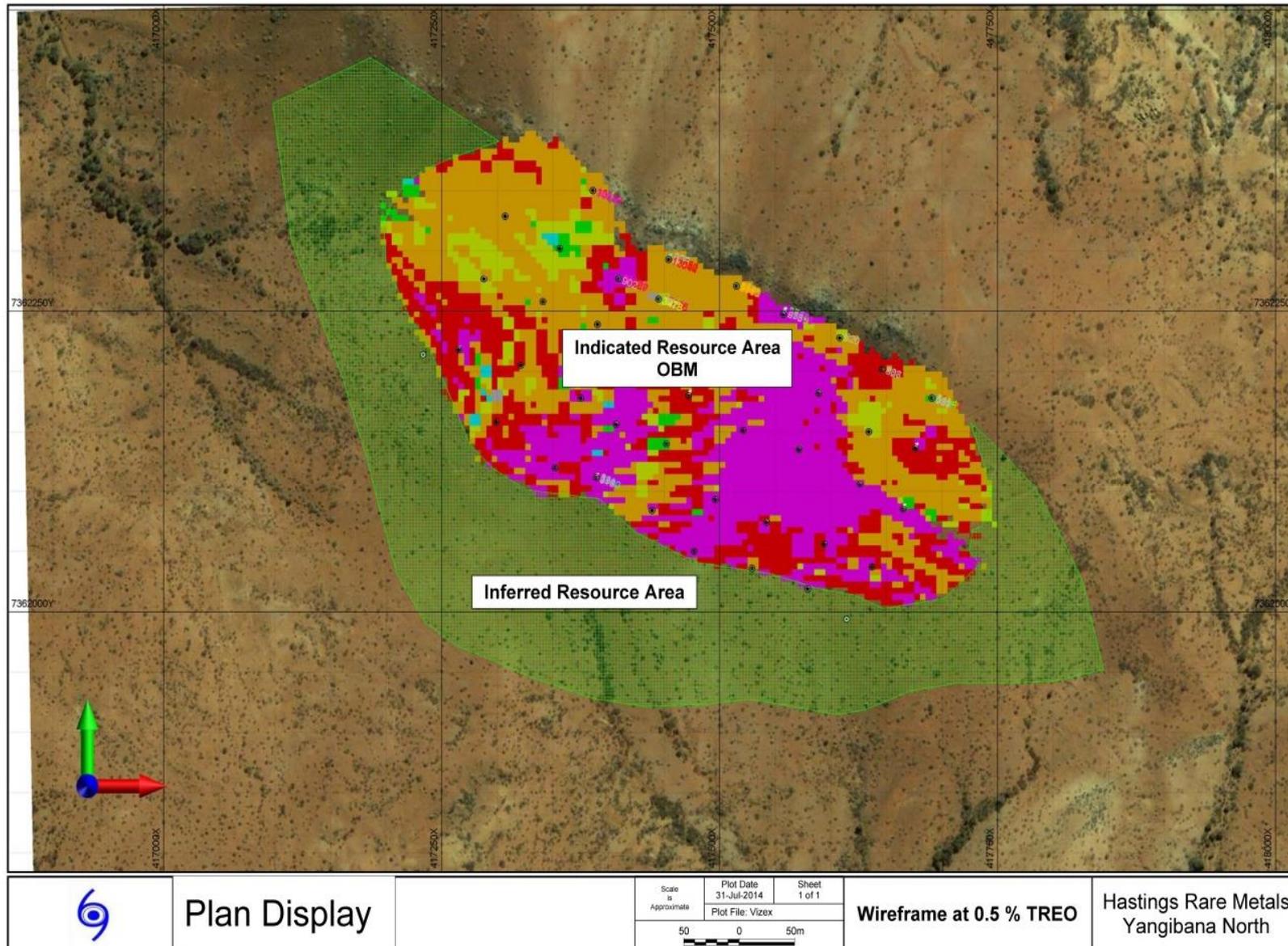


“ In July 2014 a JORC compliant resource estimate of 3.36mt at a grade of 1.34% TREO containing 45,000t of TREO was announced.

Category	Resource (tonnes)	TREO (%)	Nd ₂ O ₃ (ppm)	Pr ₂ O ₃ (ppm)	Dy ₂ O ₃ (ppm)	Eu ₂ O ₃ (ppm)
Indicated	1,860,000	1.38	2803	838	35	77
Inferred	1,500,000	1.29	2618	782	33	72
TOTAL	3,360,000	1.34	2720	813	35	76

Stage 1 Programme: Yangibana North Prospect

Plan showing Topography, Drill Holes and JORC Indicated Resources with grade and area of Inferred Resources



Stage 2 Programme: Yangibana Project Evaluation

“Yangibana North has proved to be a significant deposit of Rare Earth Oxides comprising a high proportion of valuable neodymium, praseodymium, europium and dysprosium”

Conclusion: Implementation of the Stage 2 Evaluation Programme is warranted; concentrated solely on the Yangibana Project

Objectives of the Stage 2 Programme was to:

- “ Expand resources at Yangibana North Prospect; increasing Indicated Resources and defining maiden Measured Resources
- “ Determine if potentially economic REOs are present at all or some of the other prospects
- “ Whether the resultant combined tonnage and grade have the potential to support a mining operation
- “ Collect samples and initiate metallurgical investigations
- “ Determine bulk densities of mineralisation and wall rocks
- “ Gather data to commission a Scoping Study.

Note: The Scoping Study would be basis for a decision whether to advance to Stage 3

Stage 2 Programme Yangibana Project

Work Undertaken

Work Undertaken:

- “ RC percussion drilling 122 holes for 6,624m
- “ Diamond Drilling 9 holes for 170.1m
- “ Bulk density Rare Earth mineralised zone 2.8 based on weight and volume measurements on core
- “ Two Metallurgical samples collected from Bald Hill South
 - “ 80kg composite sample of main massive ironstone and
 - “ 80kg composite sample of peripheral %disseminated/stockwork+ mineralisation.
 - “ Testwork is underway in Adelaide laboratory of Kwan Wong; supervised by our consultant Ms Narelle Marriott

Note: Composite samples from Stage 1 percussion drill holes of Yangibana North and representative of shallow and deeper mineralisation are currently being tested

Stage 2 Programme Yangibana Project Results

Results:

- “ Significant intersections were made in all prospects
- “ JORC compliant resources have been estimated for all prospects drilled.
- “ The Yangibana Project has substantial defined and potential additional high grade neodymium, praseodymium, europium, and dysprosium JORC monazite resources, which could support a +15 year open pit mining operation.

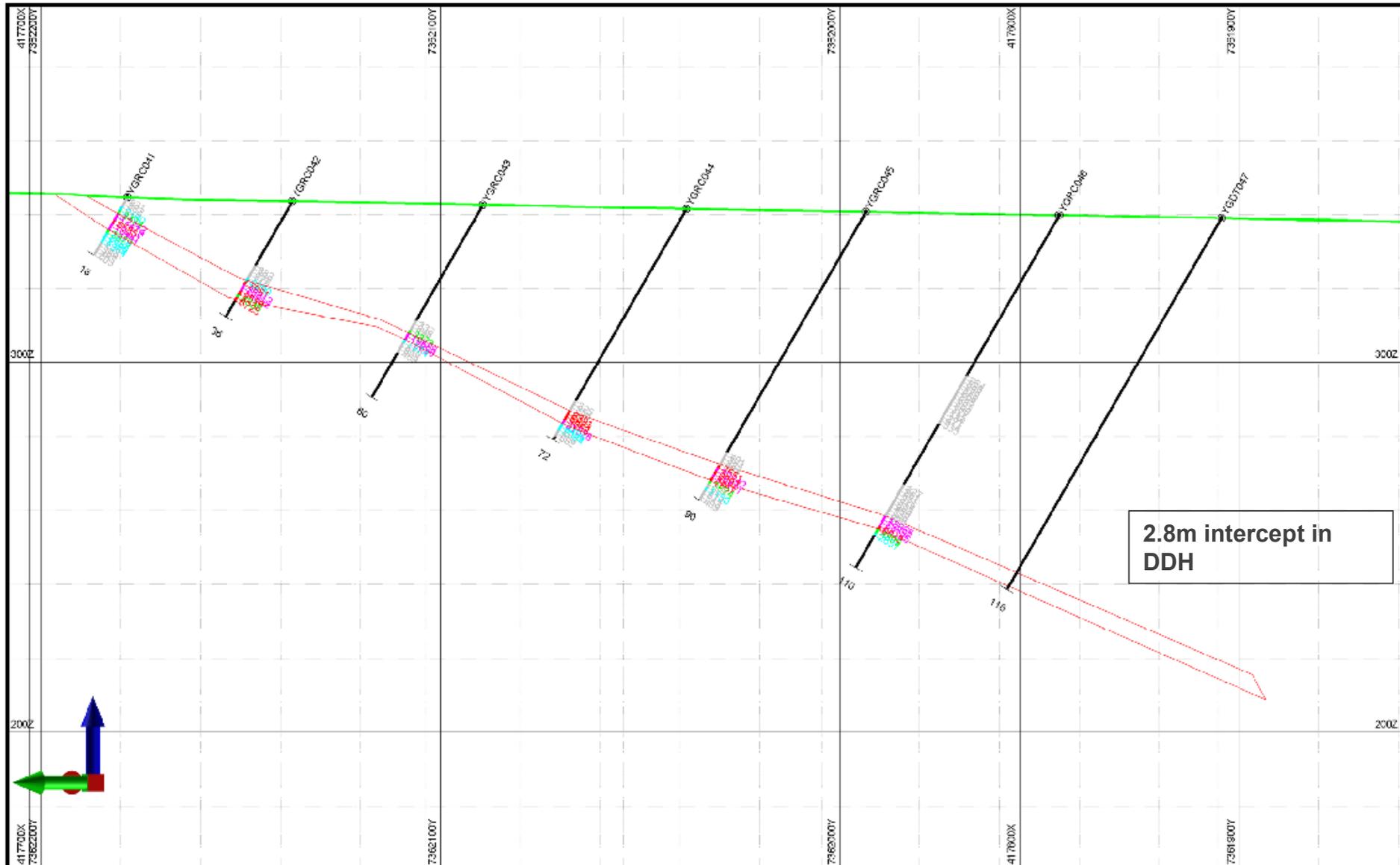
Stage 2 Programme: Yangibana North Prospect

Best RC drill intersections



	From (m)	To (m)	Interval (m)	(%) TREO	(%) Nd ₂ O ₃	(%) Pr ₂ O ₃	(ppm) Dy ₂ O ₃	(ppm) Eu ₂ O ₃
Yangibana North – Western Extension								
YN57	11	16	5	2.38	0.49	0.15	78	151
YN63	2	7	5	2.21	0.40	0.13	42	92
YN64	5	16	11	2.28	0.46	0.14	63	137
Yangibana North – Depth Extension								
YN46	94	98	4	1.85	0.41	0.12	67	144
YN51	63	67	4	2.00	0.37	0.12	47	102
YN54	45	50	5	1.77	0.36	0.11	53	108

Stage 2 Programme Yangibana North Prospect Drill Cross-section Eastern Line YN41 – YN47

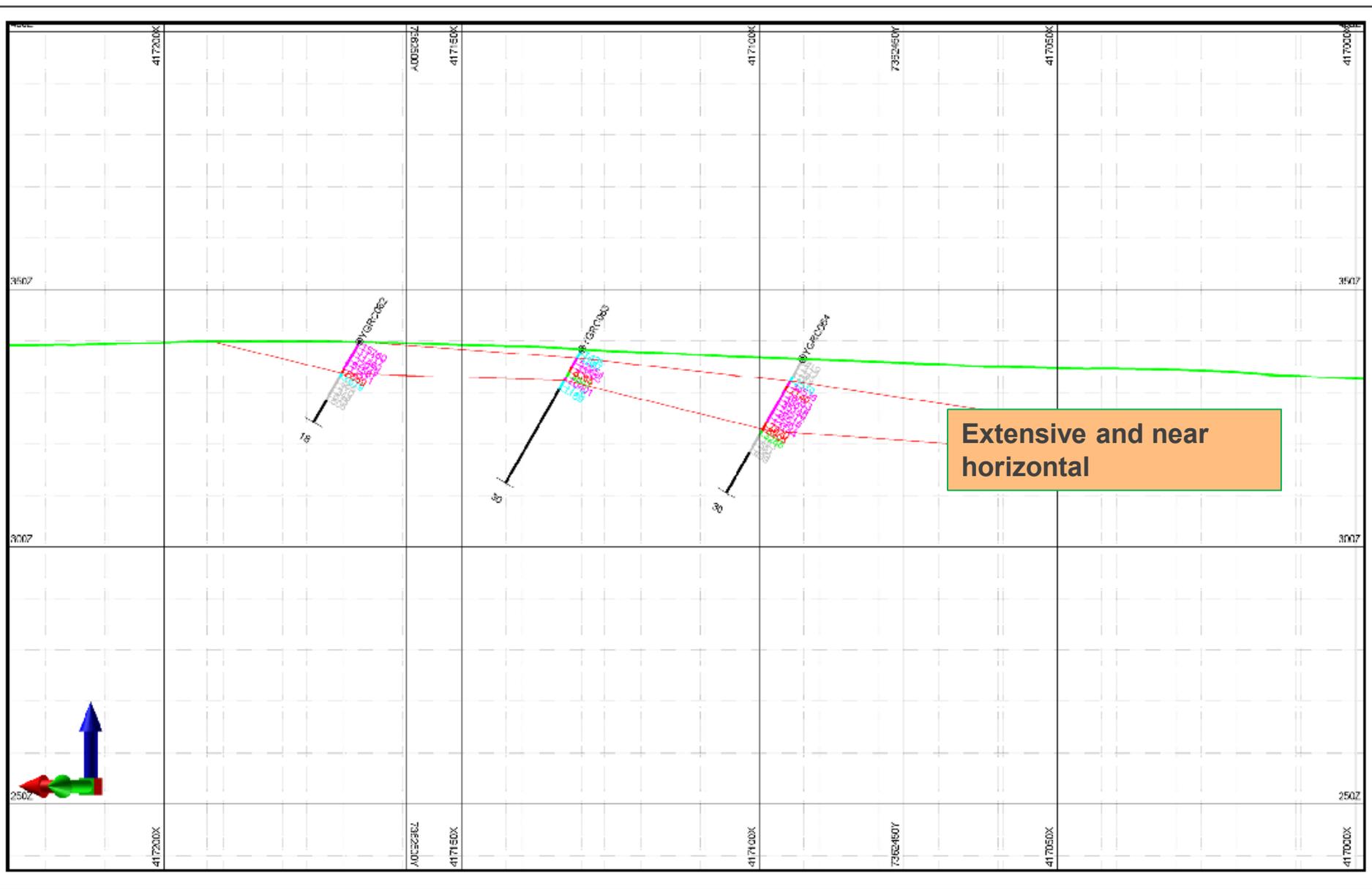


Stage 2 Programme: Yangibana North Prospect

Diamond Drill Core Rare Earth ironstone intersection



Stage 2 Programme Yangibana North Prospect Drill Cross-section Western Extension YN62 – YN64

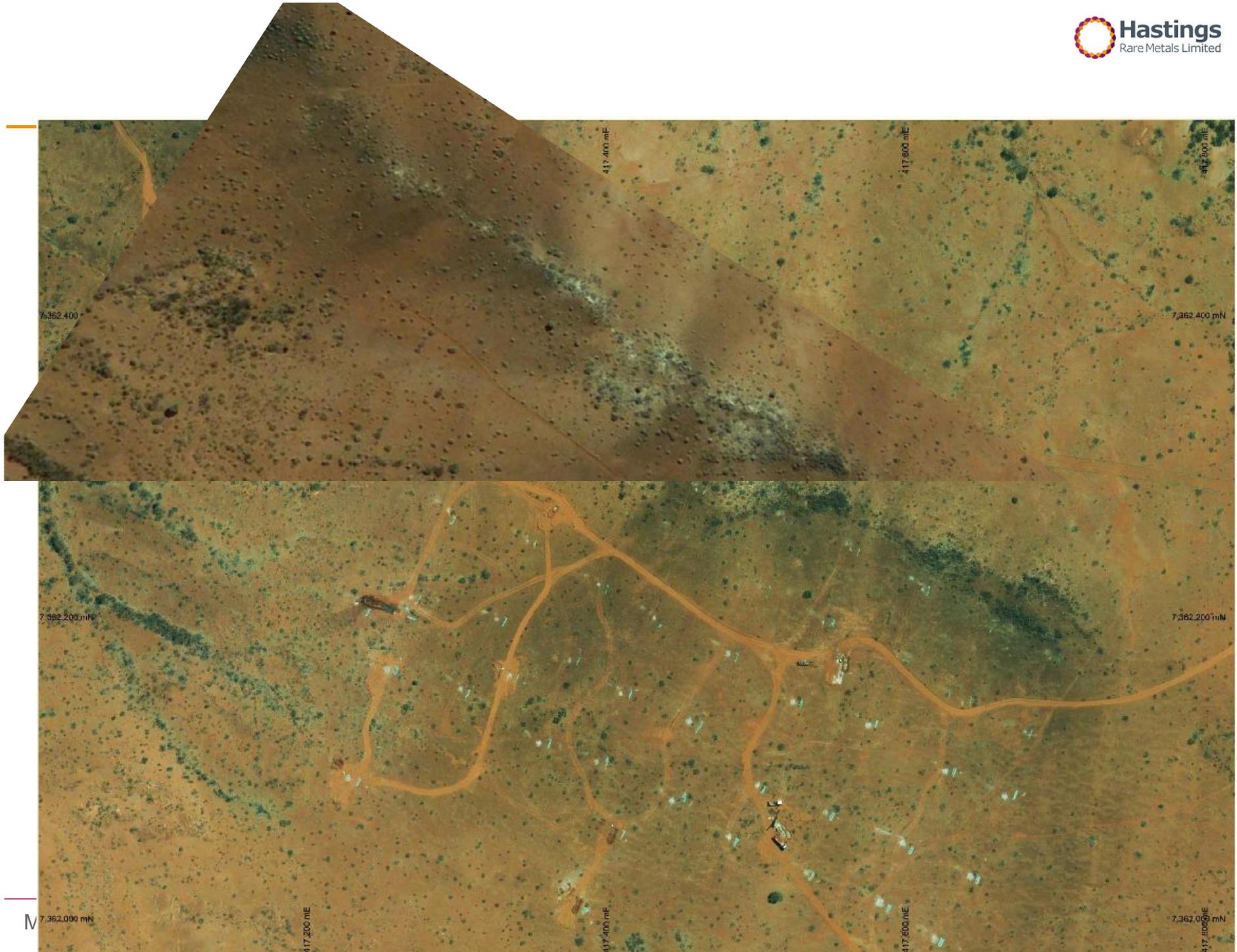


Stage 2 Programme Yangibana North Prospect Drill Rig, Hole Sites and Sample Bags - HyVista



Stage 2 Programme Yangibana North Prospect Drill Hole Sites, Access Tracks, Outcrop Gossan





Stage 2 Programme Bald Hill South Prospect

Best Drill Intersections

	From (m)	To (m)	Interval (m)	(%) TREO	(%) Nd ₂ O ₃	(%) Pr ₂ O ₃	(ppm) Dy ₂ O ₃	(ppm) Eu ₂ O ₃
Bald Hill South								
BHRC12	3	8	5	1.03	0.35	0.08	43	60
and	12	18	6	1.09	0.37	0.08	49	76
BHRC25	5	8	3	2.50	1.09	0.19	175	217
BHRC26	11	15	4	1.24	0.44	0.09	93	121

Stage 2 Programme: Frasers, Kane's Gossan, Lion's Ear and Gossan Prospects - Best Drill Intersections



Prospect Hole No	From (m)	To (m)	Interval (m)	(%) TREO	(%) Nd ₂ O ₃	(%) Pr ₂ O ₃	(ppm) Dy ₂ O ₃	(ppm) Eu ₂ O ₃
Frasers								
FR9	101	108	7	3.27	1.19	0.29	123	198
FR10	16	18	2	1.94	0.75	0.17	179	186
FR11	56	64	8	1.42	0.4	0.12	67	86
Kane's Gossan								
KG4	24	31	7	1.13	0.26	0.07	72	82
KG5	65	73	8	1.79	0.35	0.11	45	64
KG7	23	31	8	1.57	0.32	0.10	47	68
Hook								
HK5	11	13	2	3.77	0.63	0.20	59	130
HK7	4	7	3	3.68	0.61	0.21	48	99
HK11A	43	46	3	2.71	0.45	0.15	33	86
Lion's Ear								
LE1	25	27	2	2.28	0.40	0.13	44	100
LE7	8	14	6	2.76	0.56	0.17	75	151
LE16	50	61	11	1.96	0.33	0.11	21	58
LE17	88	89	1	5.26	0.93	0.31	40	122
Gossan								
GS1	24	29	5	2.00	0.40	0.12	27	83
GS8	40	44	4	2.32	0.43	0.14	34	99
GS9	72	76	4	1.82	0.34	0.11	28	75

Stage 2 Programme: Yangibana Project

JORC Resource Estimates

Yangibana Project – Total JORC Resources all seven drilled Prospects

Resource Classification	Tonnes (mt)	% TREO	ppm Nd ₂ O ₃	Ppm Pr ₂ O ₃	ppm Dy ₂ O ₃	ppm Eu ₂ O 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 Prospect JORC Compliant Resource Estimate

Resource Classification	Tonnes (mt)	% TREO	ppm Nd ₂ O ₃	Ppm Pr ₂ O ₃	ppm Dy ₂ O ₃	ppm Eu ₂ O 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

Stage 2 Programme: Yangibana Project

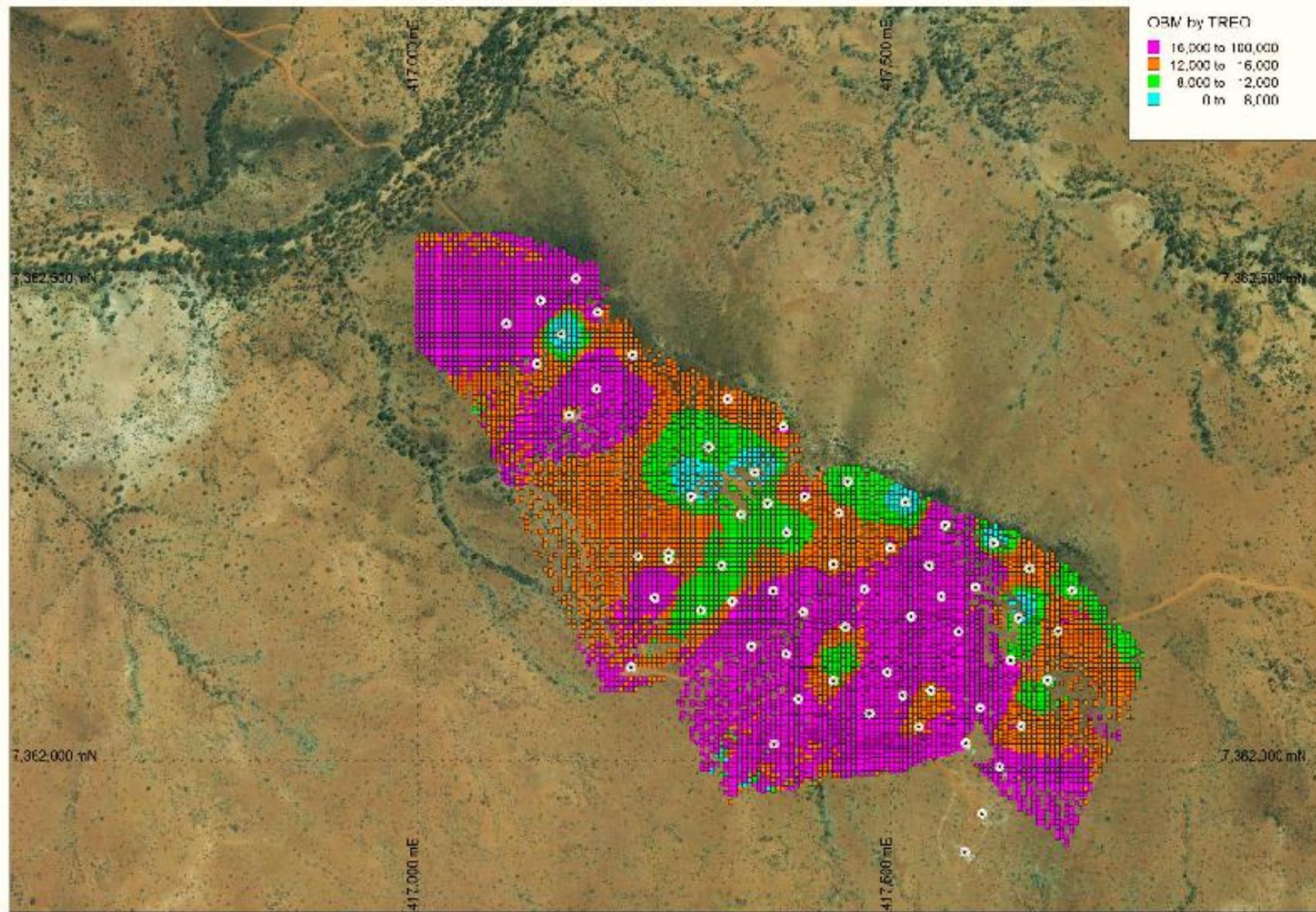
JORC Resource Estimates

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

Stage 2 Programme: Yangibana North Prospect

Indicated Resource extent and grade, drill holes and west gossan



Stage 2 Programme: Yangibana Project

JORC Resource Estimates Continued

Bald Hill South Prospect JORC compliant Resource Estimate

Resource Classification	Tonnes (mt)	% TREO	ppm Nd ₂ O ₃	Ppm Pr ₂ O ₃	ppm Dy ₂ O ₃	ppm Eu ₂ O ₃
Indicated	1.23	1.22	4162	905	83	100

Other Prospects JORC compliant Resource Estimates

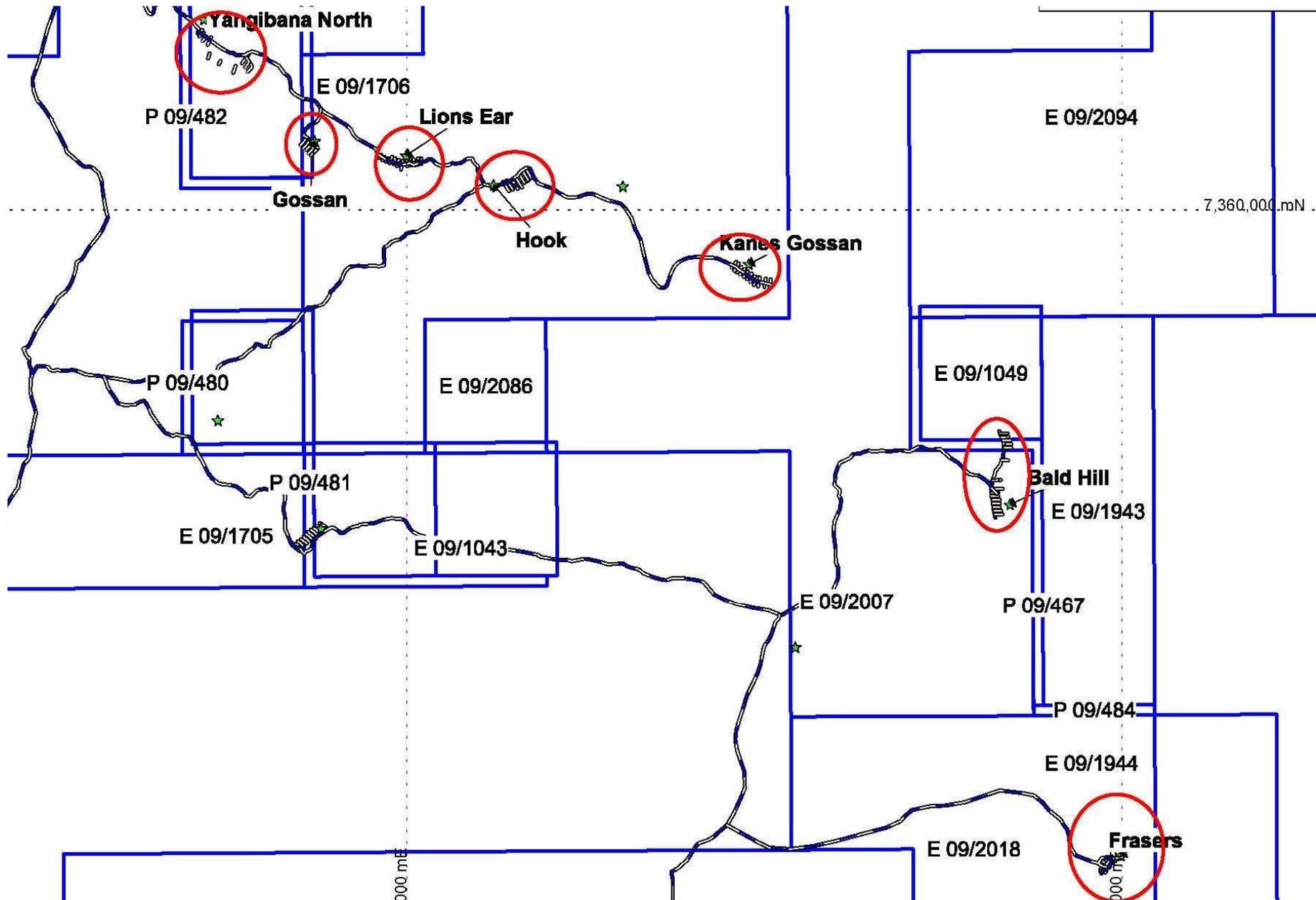
Prospect – Inferred Resources	Tonnes (mt)	% TREO	ppm Nd ₂ O ₃	Ppm Pr ₂ O ₃	ppm Dy ₂ O ₃	ppm Eu ₂ O ₃
Fraser's	0.35	1.31	4703	1147	68	88
Bald Hill North	0.14	0.87	3068	641	74	87
Kane's Gossan	0.61	1.18	2501	762	43	58
Hook	0.10	1.93	3251	1080	37	72
Lion's Ear	0.67	1.55	3044	902	46	88
Gossan	0.23	1.39	2695	835	25	66

Yangibana JORC Resources after Stage 2

- “ Total project resources significantly increased by 230% from 45,000 contained tonnes of Total Rare Earths Oxides (TREO) to 103,000 contained tonnes
- “ Total project resources contain approximately:-
 - 23,500 tonnes of neodymium oxide (Nd_2O_3)
 - 6,600 tonnes of praseodymium oxide (Pr_2O_3)
 - 360 tonnes of dysprosium oxide (Dy_2O_3), and
 - 625 tonnes of europium oxide (Eu_2O_3)
- “ Total resources contain approximately 47,000 tonnes of Nd_2O_3 -Eq
- “ All targets are open along strike and at depth
- “ Recently acquired high quality aerial photography and topographic data clearly indicates the continuity between various prospects with the zone between the western end of Yangibana North and the eastern end of Kane’s Gossan being identified as a continuous, 12km long structure. Of this, drilling to date has tested only around 2.3km, indicating significant potential for additional shallow mineralisation to be encountered.

Stage 2 Programme: Yangibana Project

Showing limited areas tested by drilling to date



Yangibana Scoping Study

- “ **With the success of the Stage 2 Drilling Programme, HAS has commissioned an independent mining consultant, Snowden, to undertake a Scoping Study on the Project**
- “ **This study will determine whether a potential mining and processing operation can be considered feasible based on the data available to date**
- “ **Input into such a study is usually considered to be +/-35% and involves a number of assumptions regarding certain parameters that have yet to be fully tested**
- “ **Assuming a positive results from the Scoping Study – expected within three weeks – the Company will progress to Pre-Feasibility Study**
- “ **The PFS involves significant expenditure over an 15-24 month period**

Next Stage - Stage 3

Yangibana Pre-Feasibility Study

- “ Executive Summary
- “ Project Location
- “ Title and Ownership
- “ Land Access
- “ Geology, Exploration and Mineral Resources (major drilling programmes)
- “ Mining/Crushing
- “ Metallurgical Test Work (major programmes to determine beneficiation, sulphation and recovery processes)
- “ Processing
- “ Infrastructure
- “ Environment, Health and Safety and Community
- “ Sales and Marketing
- “ Capital Cost Estimates
- “ Operating Cost Estimates
- “ Preliminary Financial Evaluation
- “ Risk Assessment

Project development timeline

Yangibana Project

	2014	2015	2016	2017	2018							
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Scoping Study				█								
PFS etc				█	█	█	█	█				
DFS					█	█	█	█				
Financing						█	█	█	█			
Construction									█	█	█	█
Commissioning											█	█
Production												█

Hastings Rare Metals Limited

Company Information



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