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HASTINGS COMMENCES MAJOR PFS DRILLING PROGRAMME AT YANGIBANA

HIGHLIGHTS

Pre-Feasibility Study (PFS)

- Drilling commences to infill and expand the current Yangibana JORC resources as part of the ongoing PFS
- First target is the high Nd₂O₃-Eq* grade mineralisation at Bald Hill South

Mining Lease Application

- Fourth Mining Lease application pegged

2015 Drilling Programme

Drilling has commenced on the Yangibana Rare Earths Project. The aim is to infill and extend the current JORC resources at two of the targets tested during the successful 2014 drilling campaigns. A new target defined by limited drilling in the 1980s will also be tested. This programme is planned to delineate further JORC Indicated Resources and to complete the drilling required for the Company's ongoing Pre-Feasibility Study.

Reverse circulation and diamond drilling commenced at the Bald Hill South deposit where JORC Indicated Resources of 1.23 million tonnes at 1.22%TREO with 0.77% Nd₂O₃-Eq* remain open along strike and at depth (Figure 1).

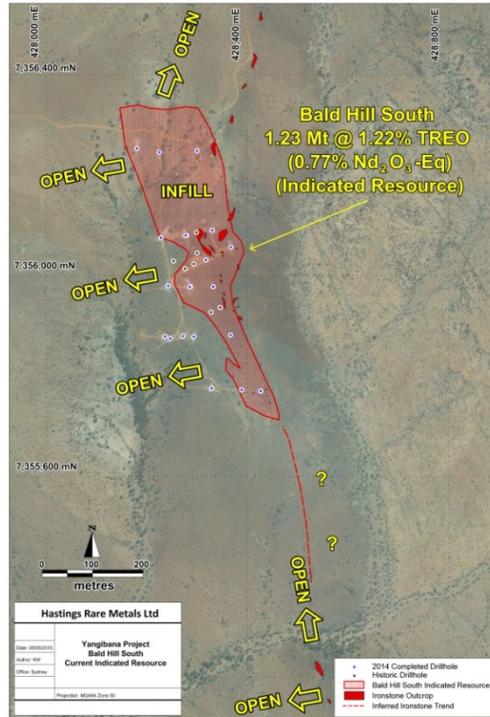


Figure 1 – Yangibana Project – Bald Hill South drilling targets

The first target is to infill the area between the main outcropping ironstone and the northernmost line drilled by Hastings in 2014 that returned the best intersection from this deposit to date of 12m at 1.67%TREO with 0.93%Nd₂O₃-Eq (Figure 2).

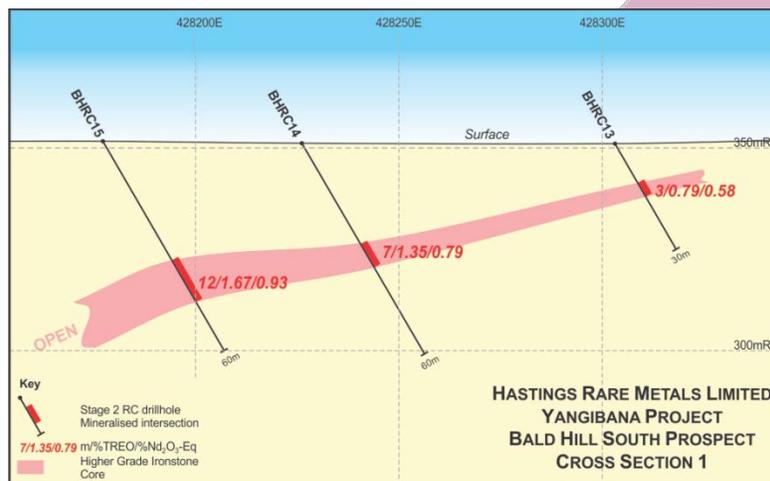


Figure 2 – Yangibana Project - Bald Hill South drill section showing intersection in hole BHRC15

Infill and extension drilling will also be carried out at Fraser's deposit where current JORC Inferred Resources of 0.35 million tonnes at 1.31%TREO with 0.85%Nd₂O₃-Eq are open in both directions and at depth (Figure 3).

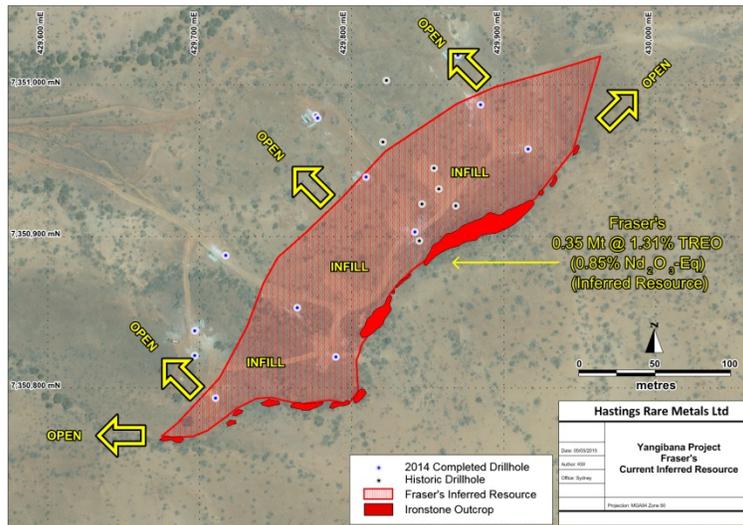


Figure 3 – Yangibana Project – Fraser's drilling targets

The rig will then be moved to the Yangibana West target area, being the westward extension of the current JORC Indicated Resources of 2.73 million tonnes at 1.75%TREO with 0.72%Nd₂O₃-Eq* plus Inferred Resources of 0.73 million tonnes at 1.65%TREO with 0.68%Nd₂O₃-Eq* at Yangibana North deposit (Figure 4). The limited drilling in the 1980s at Yangibana West target area confirmed the shallow dip of the mineralisation. The target area has the potential to provide additional open-pit resources to the current Project mineralised resources.

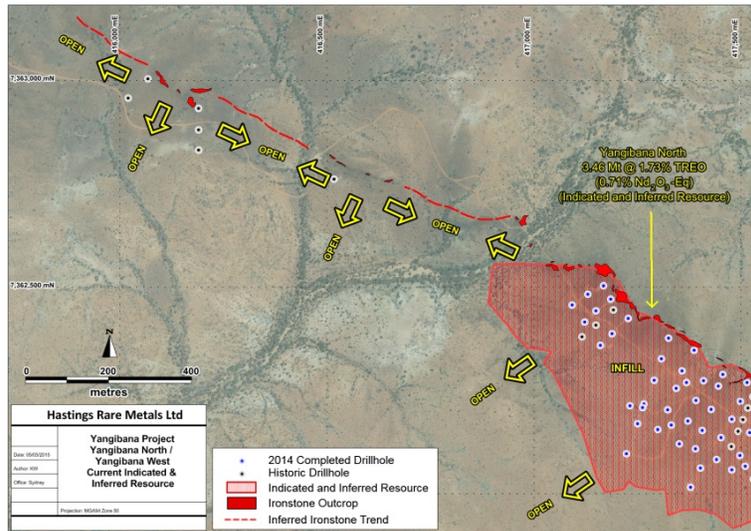


Figure 4 – Yangibana Project – Yangibana West drilling targets

Results from the drilling will be provided over the coming period.

Neodymium Equivalence

*The Nd₂O₃ equivalent (Nd₂O₃-Eq) values have been calculated based on the following rare earth prices.

- Nd₂O₃ - US\$59.5/kg
- Pr₂O₃ - US\$119.5/kg
- Dy₂O₃ - US\$340/kg; and
- Eu₂O₃ - US\$725/kg

Where Nd₂O₃-Eq =

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

$$\text{Such that Nd}_2\text{O}_3 \text{ Eq} = \text{Nd}_2\text{O}_3 + (2.0084x \text{Pr}_2\text{O}_3) + (5.71428x \text{Dy}_2\text{O}_3) + (12.18487x \text{Eu}_2\text{O}_3)$$

Mining Lease Application

The Company has applied for a fourth Mining Lease, “Yangibana West”, covering the westward extension of the Yangibana North deposit. This deposit is to be drilled as part of the PFS programme. The rare earths-bearing ironstone can be traced for over 1.2km westwards from Yangibana North and limited drilling in the 1980s indicates that shallow-dipping mineralisation similar to that at Yangibana North occurs in this area.

Figure 5 shows the location of this Mining Lease Application (marked as Deposit 9) in relation to the Company’s previous Applications. It also provides provisional locations for the major mining infrastructure components of the proposed operation.

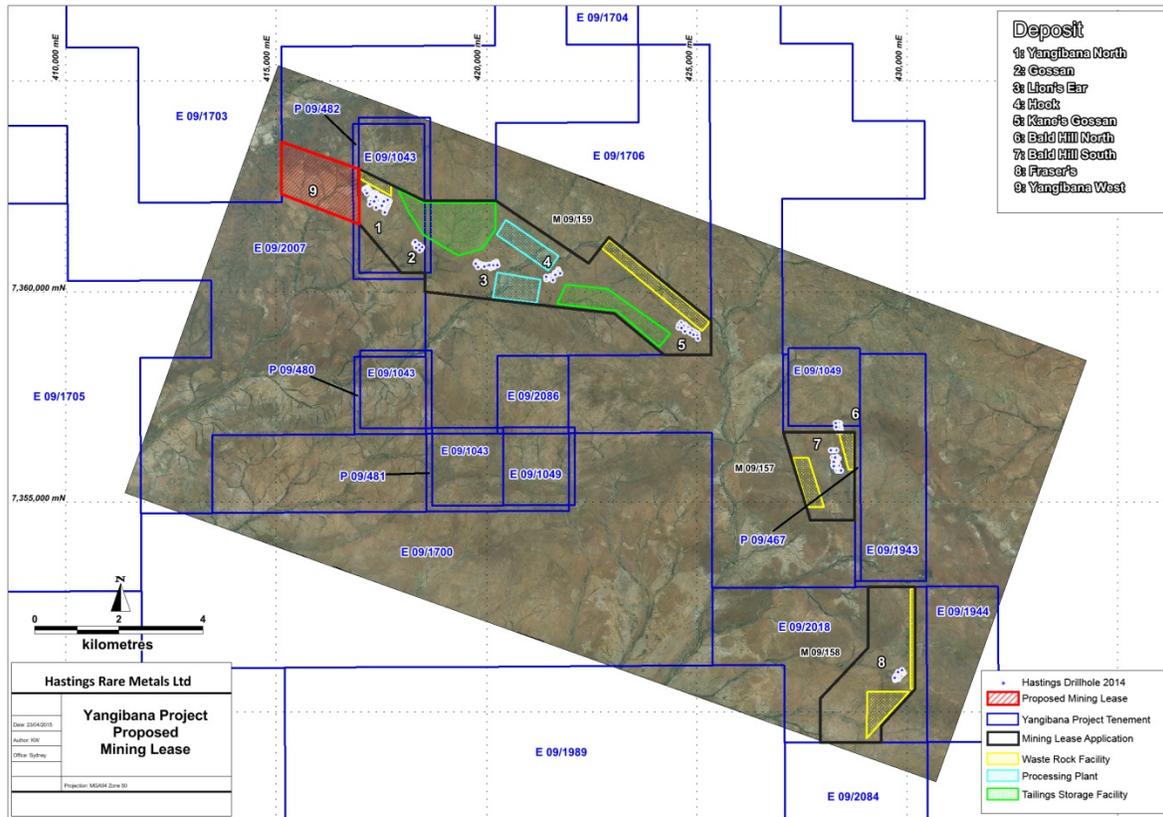


Figure 5 – Yangibana Project – Yangibana West MLA (red shading) in relation to existing MLAs and potential infrastructure sites

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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.