



17 August 2012

Ms Jill Hewitt
Senior Advisor, Issuers (Perth)
ASX Compliance Pty Limited
Level 8 Exchange Plaza
2 The Esplanade
Perth WA 6000

Dear Ms Hewitt

Hastings Rare Metals Limited – Directors Interest Notice

We refer to your letter dated 15 August 2012, and respond to the questions raised as follows:

The change in Directors interest notices were required as a result of shares being issued to Directors in lieu of cash remuneration as outlined in the Notice of Meeting lodged with the ASX on 12 March 2012 and as approved by shareholders on 11 April 2012.

The appendix 3B relating to the issue of shares was issued on 14 May 2012. Appendix 3 Y's were to have been issued on the same date but were omitted. The answers to the questions raised are as follows:

1. Please explain why the appendices were lodged late.

The late lodgement was an omission by the Company Secretary which was subsequently determined and advised to you.

2. What arrangements does the Company have in its place with Directors to ensure that it is able to meet its obligations under listing rule 3.19A.

The Company has established procedures with its Directors to ensure that it is able to meet its obligations under listing rule 3.19A. As the movement in interest was not an on market or off market trade there was a reasonable expectation by the Director that the notification would be dealt with by the Company Secretary.

The Company appointed a Chief Executive Officer, Mr Alastair Metcalf, on 21 May 2012, who will also now ensure that the obligations are met.



3. *If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B.*

The Company has adequate procedures to ensure compliance with listing rule 3.19B. The Company now has an additional level of internal control to ensure compliance following the appointment of a Chief Executive Officer.

Yours faithfully,

Guy Robertson
Company Secretary



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15 August 2012

Mr G Robertson
Company Secretary
Hastings Rare Metals Limited
C/- Alexander Cable Group Pty Ltd
Level 9, 50 Margaret Street
SYDNEY NSW 2000

Email: guy@alexandercable.com

Dear Guy

Hastings Rare Metals Limited (the "Company") – Director's Interest Notice

We refer to the following;

1. The Appendix 3Y's lodged by the Company with ASX on 10 August 2012.
2. Listing rule 3.19A which requires an entity to tell ASX the following:
 - 3.19A.1 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.
 - On 1 January 2002.
 - On the date that the entity is admitted to the official list.
 - On the date that a director is appointed.The entity must complete Appendix 3X and give it to ASX no more than 5 business days after 1 January 2002 or the entity's admission or a director's appointment.
 - 3.19A.2 A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust). The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.
 - 3.19A.3 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.
3. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the

information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

4. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

As the Appendices indicated that the change occurred on 10 May 2012, it appears that the Appendices should have been lodged with the ASX prior to the close of business on 17 May 2012. As the Appendices were lodged on 10 August 2012, it appears that the Company may be in breach of listing rules 3.19A and/or 3.19B.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions:

1. Please explain why the Appendices were lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by e-mail at jill.hewitt@asx.com.au or by facsimile on facsimile number (08) 9221 2020. It should not be sent to the Market Announcements Office.

A response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 6.30 a.m. W.S.T.) on Monday, 20 August 2012.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and should separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely,

[Sent electronically without signature]

Jill Hewitt
Senior Adviser, Issuers (Perth)