



HASTINGS RARE METALS LIMITED

ACN 122 911 399

NOTICE OF ANNUAL GENERAL MEETING

TIME: 11 am

DATE: 18 November 2014

PLACE: Boardroom of HLB Mann Judd Level 19, 207 Kent Street, Sydney NSW 2000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 2) 8268 8689.

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the annual general meeting of the Shareholders to which this Notice of Meeting relates will be held at 11am on 18 November 2014 at:

Boardroom of HLB Mann Judd, Level 19, 207 Kent Street, Sydney NSW 2000

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding 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 Annual General Meeting are those who are registered Shareholders at 7pm on 16 November 2014.

VOTING IN PERSON

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

VOTING BY PROXY

1. A Shareholder can attend and vote at the Meeting and is entitled to appoint not more than 2 proxies. The appointment of one or more proxies will not preclude a Shareholder from attending and voting at the Meeting.
2. A proxy need not be a shareholder of Hastings.
3. A proxy may be either an individual or a body corporate. If you wish to appoint a body corporate as your proxy, you must specify on the proxy form:
 - the full name of the body corporate appointed as proxy; and
 - the full name or title of the individual representative of the body corporate at the meeting.
4. Where 2 proxies are appointed, each proxy may be appointed to represent a specified proportion or number of the voting rights of the Shareholder and neither proxy is entitled to vote on a show of hands if more than one proxy attends. If you wish to appoint 2 proxies, ensure you complete the relevant section on the proxy form.

5. If your proxy chooses to vote, he/she must vote in accordance with your directions. If you have directed your proxy to vote, and they fail to attend the meeting or they choose not to vote on a poll, then the Chairman of the meeting will vote your proxies as directed by you.
6. If you do not mark a box, your proxy may vote as they choose on that item. However, if you intend to appoint a member of the Key Management Personnel as your proxy, please ensure that you direct them how to vote on resolution 1, 6 to 10.
7. If the Chairman of the meeting is your proxy (or he becomes your proxy by default), you will be taken to have expressly authorised him to exercise your proxy in relation to resolution 1 (Adoption of the Remuneration Report) and Resolutions 6 to 10 (Issue of Shares to Directors) even though the Chairman is, and those items are, connected directly or indirectly with the remuneration of a director or member of the key management personnel of the Hastings Group. Shareholders will be informed of the proxy position and the manner in which the Chairman intends to vote undirected proxies at the meeting.
8. Completed proxy forms (together with any authority under which the proxy was signed or a certified copy of the authority) must be returned before 7pm on 16 November 2014 in one of the following 3 ways:
 - By mail to : Hastings Rare Metals Limited
PO Box Q128, Queen Victoria Building NSW 1230
 - By facsimile: to the Company on + 61 2 8268 8699
 - By email: info@hastingsraremetals.com

At the meeting, the Chairman will allow a reasonable opportunity for shareholders to ask questions about, or make comments on, the management of the Company and on the Remuneration Report. Shareholders will also be given a reasonable opportunity at the meeting to ask the Company's auditor, HLB Mann Judd, questions about the content of its report, and the conduct of its audit of the Company, for the year.

By order of the Board

Guy Robertson
Company Secretary
Hastings Rare Metals Limited
17 October 2014

BUSINESS OF THE MEETING

AGENDA

ORDINARY BUSINESS

1. Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2014 together with the declaration of the Directors, the Directors' report, the remuneration report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2014."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Note: Mr. Simon Wallace, a director appointed on the 9 December 2013 retires at the annual general meeting and is not seeking re-election as a director

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR CHARLES (FOON KEONG) LEW

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 13.4 of the Constitution and for all other purposes, Mr Charles Lew, a Director who was appointed on 9 December 2013, retires, and being eligible, is re-elected as a Director."

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR ANTHONY HO

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr Anthony Ho, retires by rotation, and being eligible, is re-elected as a Director."

5. RESOLUTION 4 – APPROVAL TO ISSUE 70,000,000 SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and all other purposes, approval is given for the Company to allot and issue, within three months of the date of this resolution, up to 70,000,000 Securities to the persons, for the purposes and on the terms and conditions set out in the Explanatory Memorandum."

6. RESOLUTION 5 – APPROVAL TO ISSUE 10,000,000 OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and all other purposes, approval is given for the Company to allot and issue, within three months of the date of this resolution, up to 10,000,000 Options to the persons, for the purposes and on the terms and conditions set out in the Explanatory Memorandum."

7. RESOLUTION 6 – APPROVAL TO ISSUE SHARES IN LIEU OF DIRECTOR'S FEES – MR MALCOLM MASON

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

"That, for the purposes of ASX Listing Rule 10.11 and all other purposes, approval is given for the Company to allot and issue 307,692 shares to Mr Malcolm Mason (or his nominee) who is a Director of the Company on the terms and conditions set out in the Explanatory Memorandum."

8. RESOLUTION 7 – APPROVAL TO ISSUE SHARES IN LIEU OF DIRECTOR'S FEES – MR CHARLES LEW

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

"That, for the purposes of ASX Listing Rule 10.11 and all other purposes, approval is given for the Company to allot and issue 301,080 shares to Mr Charles Lew (or his nominee) who is a Director of the Company on the terms and conditions set out in the Explanatory Memorandum."

9. RESOLUTION 8 – ISSUE OF PERFORMANCE RIGHTS TO NON EXECUTIVE DIRECTOR – MR ANTHONY HO

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **Ordinary Resolution**:

"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval be given for the grant to Anthony Ho of up to a maximum of two million performance rights and the issue of Shares to him on the vesting of those performance rights, pursuant to the Company's Executive Performance Rights Plan and in accordance with the terms and conditions summarised in the Explanatory Memorandum."

10. RESOLUTION 9 – ISSUE OF PERFORMANCE RIGHTS TO NON EXECUTIVE DIRECTOR – MR MALCOLM MASON

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **Ordinary Resolution**:

"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval be given for the grant to Malcolm Mason of up to a maximum of two million performance rights and the issue of Shares to him on the vesting of those performance rights, pursuant to the Company's Executive Performance Rights Plan and in accordance with the terms and conditions summarised in the Explanatory Memorandum."

11. RESOLUTION 10 – ISSUE OF PERFORMANCE RIGHTS TO NON EXECUTIVE DIRECTOR – CHARLES LEW

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **Ordinary Resolution**:

"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval be given for the grant to Charles Lew of up to a maximum of five million performance rights and the issue of Shares to him on the vesting of those performance rights, pursuant to the Company's Executive Performance Rights Plan and in accordance with the terms and conditions summarised in the Explanatory Memorandum."

SPECIAL BUSINESS

12. RESOLUTION 11 – APPROVAL OF PLACEMENT CAPACITY

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"That, for the purposes of ASX Listing Rule 7.1A and all other purposes, approval is given for the Company to allot and issue Equity Securities up to 10% of the Company's issued share capital (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement."

DATED: 17 OCTOBER 2014

BY ORDER OF THE BOARD

**GUY ROBERTSON
COMPANY SECRETARY**

VOTING EXCLUSION STATEMENTS

Under ASX Listing Rule 14.11, the Company will disregard any votes cast on the Resolutions by the following persons:

RESOLUTION	PERSONS EXCLUDED FROM VOTING
1. Remuneration Report	- A member of the key management personnel (KMP), details of whose remuneration are included in the Remuneration Report for the year ended 30 June 2014; or - A closely related party of a KMP¹
4. Approval to issue 70,000,000 shares	- Any person who may participate in the proposed issue; - Any person who might obtain a benefit (other than a benefit solely in the capacity of a holder of ordinary shares) if the resolution is passed; and - Any of their respective associates.
5. Approval to issue 10,000,000 options	- Any person who may participate in the proposed issue; - Any person who might obtain a benefit (other than a benefit solely in the capacity of a holder of ordinary shares) if the resolution is passed; and - Any of their respective associates.
6. Approval to Issue Shares Mr Malcolm Mason	- Mr Malcolm Mason - Any of his associates.
7. Approval to Issue Shares Mr Charles Lew	- Mr Charles Lew - Any of his associates.
8. Approval to issue Performance Rights to Mr Anthony Ho	- Mr Anthony Ho - Any of his associates.
9. Approval to issue Performance Rights to Mr Malcolm Mason	- Mr Malcolm Mason - Any of his associates.
10. Approval to issue Performance Rights to Mr Charles Lew	- Mr Charles Lew - Any of his associates.
11. Approval of Placement Capacity	- Any person who may participate in the proposed issue; - Any person who might obtain a benefit (other than a benefit solely in the capacity of a holder of ordinary shares) if the resolution is passed; and - Any of their respective associates.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

¹A closely related party of a member of the key management personnel means any of the following:

- a spouse, child or dependent of the member;
- a child or dependent of the member's spouse;
- anyone else who is one of the member's family and may be expected to influence, or be influenced by, the member in the member's dealings with the Company;
- a company the member controls; or
- a person prescribed by regulations (as at the date of this notice of meeting, no additional persons have been prescribed by regulation).

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2014 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.hastingsraremetals.com.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

If at least 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2015 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the Company's 2015 annual general meeting. All of the Directors who were in office when the Company's 2015 Directors' report was approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2014.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

2.2 Proxy Restrictions

Pursuant to the Corporations Act, if you elect to appoint the Chair, or another member of Key Management Personnel whose remuneration details are included in the Remuneration Report or any Closely Related Party of that member as your proxy to vote on this Resolution 1, *you must direct the proxy how they are to vote*. Where you do not direct the Chair, or another member of Key Management Personnel whose remuneration details are included in the Remuneration Report or Closely Related Party of that member on how to vote on this Resolution 1, the proxy is prevented by the Corporations Act from exercising your vote and your vote will not be counted in relation to this Resolution 1.

2.3 Directors' Recommendation

Noting that each Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, the Board recommends that Shareholders vote in favour of this resolution.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR CHARLES (FOON KEONG) LEW

3.1 General

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election.

Mr Charles Lew will retire in accordance with clause 13.4 of the Constitution and being eligible seeks re-election.

A brief profile of Mr Charles Lew is set out in the Annual Report.

3.2 Directors' Recommendation

The Board (other than Mr Charles Lew) recommends that Shareholders vote in favour of this resolution.

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR ANTHONY HO

4.1 General

Clause 13.2 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

The Company currently has 4 Directors, of which two are casual appointments during the period and are up for re-election, however one of these Directors, Mr Simon Wallace, is not standing for re-election. Accordingly 1 of the other directors must retire.

Mr Anthony Ho, the Director longest in office since his last election, retires by rotation and seeks re-election.

A brief profile of Mr Anthony Ho is set out in the Annual Report.

4.2 Directors' Recommendation

The Board (other than Mr Anthony Ho) recommends that Shareholders vote in favour of this resolution.

5.0 RESOLUTION 4 - APPROVAL TO ISSUE 70,000,000 SHARES

5.1 Background

Under Resolution 4, the Company seeks Shareholder approval to issue and allot up to 70,000,000 Shares for capital raising purposes.

5.2 ASX Listing Rule Requirements

ASX Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period which, when aggregated with the equity securities issued by a company during the previous 12 months, will exceed 15% of the total number of fully paid ordinary shares on issue in the company at the beginning of the 12 month period, except with the prior approval of Shareholders.

Resolution 4 seeks Shareholder approval under ASX Listing Rule 7.1 for the issue of up to 70,000,000 Shares. The effect of such approval is that any such Securities will not be counted as reducing the number of equity securities which the Company can issue without Shareholder approval under the limit imposed by ASX Listing Rule 7.1.

5.3 ASX Listing Rule Disclosure Requirements

The following information is provided in accordance with ASX Listing Rule 7.3:

- (a) *The maximum number of equity securities the entity is to issue*

The maximum number of Shares to be issued is 70,000,000. The Directors will have the discretion to issue Shares to any person they deem appropriate up to a maximum of 70,000,000 Shares in total.

(b) *The date by which the entity will issue the equity securities*

The Shares will be issued no later than three months after the date of the Meeting, or such later date as may be approved by ASX.

(c) *The issue price of the equity securities*

The Shares will be issued at a price that is at least 80% of the volume weighted average market price for Shares, where the average is calculated, in accordance with ASX Listing Rule 7.3.3, over the last five days on which sales in Shares were recorded before the day on which the issue was made or, if there was a prospectus, or offer information statement relating to the issue, over the last 5 days on which sales in the Shares were recorded before the date the prospectus, or offer information statement is signed.

(d) *The names of the allottees (if known) or the basis upon which the allottees will be identified or selected*

The names of the allottees of the Shares are currently unknown and will be chosen at the discretion of the Directors, but will not be related parties or their Associates. They will be identified on the basis of the Directors' view of their ability to participate in the proposed placement and any added value they are able to bring to the Company.

(e) *The terms of the equity securities*

The Shares will rank equally in all respects with the Company's current issued Shares.

(f) *The intended use of the funds raised*

The funds to be raised by the Company are intended to be used for the following purposes:

- (i) exploration expenditure in relation to the Company's existing projects;
- (ii) completion of a pre-feasibility study for the Yangibana project; and
- (iii) general working capital requirements of the Company.

(g) *The dates of allotment or a statement that allotment will occur progressively*

The Shares will be allotted progressively.

5.4 Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 4, as the placement will provide the Company with necessary funds to enable it to continue with its exploration program, to achieve objectives previously announced, and additional funding to meet the Company's working capital requirements.

6.0 RESOLUTION 5 – APPROVAL TO ISSUE UP TO 10,000,000 OPTIONS TO INVESTORS, ADVISORS AND/OR CONSULTANTS

6.1 Background

Under Resolution 5, the Company seeks Shareholder approval under ASX Listing Rule 7.1 to issue a total of up to 10,000,000 Options to investors, advisors and/or consultants to the Company or to their respective nominees.

6.2 ASX Listing Rule Requirements

ASX Listing Rule 7.1 provides, in summary, that a listed company must not, subject to specified exceptions, issue equity securities in any 12 month period which, when aggregated with the equity securities issued by a company during the previous 12 months, will exceed 15% of the total number of fully paid ordinary shares on issue in the company at the beginning of the 12 month period, except with the prior approval of Shareholders.

Resolution 5 seeks Shareholder approval under ASX Listing Rule 7.1 for the issue of a total of up to 10,000,000 Options described above. The effect of such approval is that any such Options will be not be counted as reducing the number of equity securities which the Company can issue without Shareholder approval under the limit imposed by ASX Listing Rule 7.1.

6.3 ASX Listing Rule Disclosure Requirements

The following information is provided in accordance with ASX Listing Rule 7.3:

(a) *The maximum number of securities the entity is to issue*

The maximum number of securities to be issued is 10,000,000 Options. The maximum number of Shares to be issued if the 10,000,000 Options all become exercisable and are exercised is 10,000,000.

(b) *The date by which the entity will issue the equity securities*

The Options will be issued no later than three months after the date of the Meeting, or such later date as may be approved by ASX.

(c) *The issue price of the securities*

Consideration will be paid by the parties concerned for the grant of their Options will be \$0.0001 per Option, payable in cash. The options will not be issued to related parties of the Company, or their Associates.

(d) *The names of the allottees (if known) or the basis upon which the allottees will be identified or selected*

The allottees of the Options will be advisors and/or consultants engaged by the Company to assist in the capital raising for the Company and ongoing investor relations and marketing support.

The Options will be granted as an incentive to them to assist the Company in taking its business forward and in consideration of the services provided by them to the Company in the activities outlined above.

(e) *The terms of the securities*

The Options will have an exercise price of \$0.08 and will expire on 30 November 2016. The Options will be issued on the terms and conditions set out in Schedule 2.

(f) *The intended use of the funds raised*

The \$1,000 raised on grant of the options will be used for working capital purposes.

If all of the Options become exercisable and are exercised at a price of 8 cents per Option, \$800,000 of additional funding will be raised for the Company which will be used for exploration and working capital purposes.

(g) *The dates of allotment or a statement that allotment will occur progressively*

The Options will be allotted progressively.

(h) *Voting Exclusion*

A voting exclusion statement forms part of this Notice.

6.4 Directors' Recommendation

The Board recommends that Shareholders vote in favour of Resolution 5 as the issue of the proposed Options will form part of the remuneration of, and accordingly, act as an incentive to the advisors/consultants in their work for the Company.

7.0 RESOLUTION 6 – ISSUE OF SHARES IN LIEU OF DIRECTOR'S FEES – MR MALCOLM MASON

7.1 Background

Under Resolution 6, the Company seeks Shareholder approval under ASX Listing Rule 10.11 for the issue of Shares to Mr Malcolm Mason (and/or their nominees), who is a Director.

Mr Malcolm Mason, a non-executive Director, has agreed to receive 307,692 Shares at a deemed price of \$0.065 or cash equivalent of \$20,000 in lieu of a cash payment of a portion (50%) of his annual remuneration.

This will allow Hastings to apply the funds which would have been applied to each Director's remuneration to its development program and demonstrates each Director's confidence in and commitment to Hastings.

The purpose of Resolution 6 is to seek approval of the issue of 307,692 Shares to Mr Mason in lieu of remuneration as outlined above.

7.2 ASX Listing Rule Requirements

Unless one of the exceptions under ASX Listing Rule 10.12 applies, ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval prior to the issue of securities, such as the Shares proposed to be issued under Resolution 5, to a related party of the Company. If approval is given under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.

The Company requires shareholder approval to issue the Shares to Mr Mason as, for the purposes of ASX Listing Rule 10.11, the Director is a related party of the Company.

If Shareholder approval is obtained under Resolution 6, the Shares referred to in Resolution 5 will not be counted as reducing the number of equity securities which the Company can issue without Shareholder approval under the limit imposed by ASX Listing Rule 7.1.

7.3 ASX Listing Rule Disclosure Requirements

The following information is provided to members for the purpose of Listing Rule 10.13:

- (a) *The name of the person to whom the securities will be issued*
The Shares will be granted to Mr Mason, who is a Director of the Company, or his nominee.
- (b) *The maximum number of securities to be issued*
The maximum number of Shares to be issued is 307,692 Shares to Mr Mason and/or his nominee.
- (c) *The date by which the entity will issue the securities*
Subject to Shareholder approval, the Shares will be allotted and issued no later than one month after the date of the Meeting, or such later date as may be approved by the ASX.
- (d) *The issue price of the securities*
The price at which the Shares will be issued will be at a deemed price of \$0.065 per Share (the price as at 3 October 2014).
- (e) *The names of the allottees (if known) or the basis upon which the allottees will be identified or selected*
The allottee will be Mr Mason and/or his nominee.
- (f) *The terms of the securities*
The Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (g) *The intended use of the funds raised*
No funds will be raised in this issue. The issue is in part payment of remuneration owing to Mr Mason as outlined above.
- (h) *Voting Exclusion*
A voting exclusion statement forms part of this Notice.

7.4 Directors' Recommendation

The Directors, excluding Mr Mason, recommend that Shareholders vote in favour of Resolution 6. Mr Mason abstains from making a recommendation to Shareholders in respect of Resolution 5 as he is personally interested in the outcome of Resolution 6 in that he (or his nominee(s)) is the proposed recipient of the Shares.

8.0 RESOLUTION 7 – ISSUE OF SHARES IN LIEU OF DIRECTOR'S FEES – MR CHARLES LEW

8.1 Background

Under Resolution 7, the Company seeks Shareholder approval under ASX Listing Rule 10.11 for the issue of Shares to Mr Charles Lew (and/or their nominees), who is a Director.

Mr Lew, a non-executive Director, has agreed to receive 301,080 Shares at a deemed price of \$0.065 in lieu of a cash payment (\$19,570) of a portion (50%) of his annual remuneration.

This will allow Hastings to apply the funds which would have been applied to each Director's remuneration to its development program and demonstrates each Director's confidence in and commitment to Hastings.

The purpose of Resolution 7 is to seek approval of the issue of 301,080 Shares to Mr Lew in lieu of remuneration as outlined above.

8.2 ASX Listing Rule Requirements

Unless one of the exceptions under ASX Listing Rule 10.12 applies, ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval prior to the issue of securities, such as the Shares proposed to be issued under Resolution 6, to a related party of the Company. If approval is given under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.

The Company requires shareholder approval to issue the Shares to Mr Lew as, for the purposes of ASX Listing Rule 10.11, the Director is a related party of the Company.

If Shareholder approval is obtained under Resolution 6, the Shares referred to in Resolution 7 will not be counted as reducing the number of equity securities which the Company can issue without Shareholder approval under the limit imposed by ASX Listing Rule 7.1.

8.3 ASX Listing Rule Disclosure Requirements

The following information is provided to members for the purpose of Listing Rule 10.13:

- (i) *The name of the person to whom the securities will be issued*
The Shares will be granted to Mr Lew, who is a Director of the Company, or his nominee.
- (j) *The maximum number of securities to be issued*
The maximum number of Shares to be issued is 301,080 Shares to Mr Lew and/or his nominee.
- (k) *The date by which the entity will issue the securities*
Subject to Shareholder approval, the Shares will be allotted and issued no later than one month after the date of the Meeting, or such later date as may be approved by the ASX.
- (l) *The issue price of the securities*
The price at which the Shares will be issued will be at a deemed price of \$0.065 per Share.

- (m) *The names of the allottees (if known) or the basis upon which the allottees will be identified or selected*
The allottee will be Mr Lew and/or his nominee.
- (n) *The terms of the securities*
The Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (o) *The intended use of the funds raised*
No funds will be raised in this issue. The issue is in part payment of remuneration owing to Mr Lew as outlined above.
- (p) *Voting Exclusion*
A voting exclusion statement forms part of this Notice.

8.4 Directors' Recommendation

The Directors, excluding Mr Lew, recommend that Shareholders vote in favour of Resolution 7. Mr Lew abstains from making a recommendation to Shareholders in respect of Resolution 7 as he is personally interested in the outcome of Resolution 7 in that he (or his nominee(s)) is the proposed recipient of the Shares.

9.0 Resolution 8 – Approval of Performance Rights – non-executive Director – Mr Anthony Ho

9.1 Introduction

ASX Listing Rule 10.14 requires that an entity must not permit any of the following persons to acquire securities under an employee incentive scheme without the approval of holders of ordinary securities of the acquisition;

- A director of the entity
- An associate of the director
- A person whose relationship with the entity, is in ASX's opinion, such that approval should be obtained.

The following information is provided in accordance with ASX Listing Rule 10.15.

Anthony Ho was appointed a Director of the Company on 8 March 2011. The Company has agreed to grant Mr Ho Performance Rights for nil consideration as part of his remuneration by the Company.

In introducing an equity component to his remuneration, the Company's objective is to provide an added incentive to Mr Ho to focus on the delivery of long term Shareholder returns. The Performance Rights will be issued under the EPRP subject to the necessary Shareholder approval.

The persons who are eligible to participate in the scheme are the Directors of the Company, Mr Charles Lew, Mr Anthony Ho, Mr Malcolm Mason, Mr Simon Wallace and senior executives of the Company.

If approved by Shareholders, the Board intends to issue the Performance Rights as soon as reasonably practicable following the Annual General Meeting on the terms and conditions set out below.

No securities have previously been issued under the Performance Rights Plan.

9.2 Performance Rights

Performance Rights are to be issued in accordance with the following matrix.

The maximum rights to be issued is two million. The rights are to be granted as soon as reasonably practical following the Annual General Meeting but will not vest until the performance hurdles have been met in accordance with the following matrix.

Share Price Appreciation over base of 6.5 cents ¹	Action A ²	Action B ²
>100%	2,000,000	2,000,000
>75%	1,500,000	1,500,000
>50%	1,000,000	1,000,000

¹ Price as at 3 October 2014

² Key milestones are:

Action A – Completion of a pre-feasibility study for one or more of the Company's projects.

Action B – Completion of capital raisings during the term of the performance rights of at least \$7 million.

On vesting each performance right is able to be converted into one ordinary share, which will rank equally in all respects with existing shares on issue.

9.3 Performance Period and Vesting

The performance period is two years commencing 1 July 2014, and the securities will be issued no later than 18 November 2015 being 12 months after the date of the meeting.

Any Performance Rights which do not vest will lapse no later than 30 November 2016.

Shares allocated following the exercise of Performance Rights are subject to certain restrictions on disposal as set out in the Performance Plan rules and subject also to observance of the Company's Share Trading Policy in dealing with Shares.

9.4 Other information

The Board of Directors have determined that amount of performance rights constitute reasonable remuneration in the event they were granted and shareholder approval under Chapter 2E of the Corporations Act 2001, is therefore not required.

No loan will be made to the Director in connection with the acquisition of the performance rights.

No amount is payable on the grant or vesting of Performance Rights.

No securities have been issued under Listing Rule 10.14 since the date of the Performance Rights Plan approval being 30 November 2012.

9.5 Directors' Recommendation

The Directors having an interest in the Performance Rights plan do not make a recommendation in respect of this resolution.

10.0 RESOLUTION 9 – APPROVAL OF PERFORMANCE RIGHTS – NON EXECUTIVE DIRECTOR – MR MALCOLM MASON

10.1 Introduction

ASX Listing Rule 10.14 requires that an entity must not permit any of the following persons to acquire securities under an employee incentive scheme without the approval of holders of ordinary securities of the acquisition;

- A director of the entity
- An associate of the director
- A person whose relationship with the entity, is in ASX's opinion, such that approval should be obtained.

The following information is provided in accordance with ASX Listing Rule 10.15.

Malcolm Mason was appointed Non-Executive Director of the Company on 30 May 2013. The Company has agreed to grant Mr Mason Performance Rights for nil consideration as part of his remuneration by the Company.

In introducing an equity component to his remuneration, the Company's objective is to provide an added incentive to Mr Mason to focus on the delivery of long term Shareholder returns. The Performance Rights will be issued under the EPRP subject to the necessary Shareholder approval.

The persons who are eligible to participate in the scheme are the Directors of the Company, Mr Charles Lew, Mr Anthony Ho, Mr Malcolm Mason, Mr Simon Wallace and senior executives of the Company.

No securities have previously issued under the Performance Rights Plan.

If approved by Shareholders, the Board intends to issue the Performance Rights as soon as reasonably practicable following the Annual General Meeting on the terms and conditions set out below.

10.2 Performance Rights

Performance Rights are to be issued in accordance with the following matrix.

The maximum rights to be issued is two million. The rights are to be granted as soon as reasonably practical following the Annual General Meeting but will not vest until the performance hurdles have been met in accordance with the following matrix.

[use the above table for MM below]

Share Price Appreciation over base of 6.5 cents ¹	Action A ²	Action B ²
>100%	2,000,000	2,000,000
>75%	1,500,000	1,500,000
>50%	1,000,000	1,000,000

¹ Price as at 3 October 2014

² Key milestones are:

Action A – Completion of a pre-feasibility study for one or more of the Company's projects.

Action B – Completion of capital raisings during the term of the performance rights of at least \$7 million.

On vesting each performance right is able to be converted into one ordinary share, which will rank equally in all respects with existing shares on issue.

10.3 Performance Period and Vesting

The performance period is two years commencing 1 July 2014, and the securities will be issued no later than 18 November 2015 being 12 months after the date of the meeting.

Any Performance Rights which do not vest will lapse no later than 30 November 2016.

Shares allocated following the exercise of Performance Rights are subject to certain restrictions on disposal as set out in the Performance Rights Plan and subject also to observance of the Company's Share Trading Policy in dealing with Shares.

10.4 Other information

The Board of Directors have determined that amount of performance rights constitute reasonable remuneration in the event they were granted and shareholder approval under Chapter 2E of the Corporations Act 2001, is therefore not required.

No loan will be made to the Director in connection with the acquisition of the performance rights.

No amount is payable on the grant or vesting of Performance Rights.

No securities have been issued under Listing Rule 10.14 since the Performance Rights Plan was approved being 30 November 2012.

10.5 Directors' Recommendation

The Directors having an interest in the Performance Rights plan do not make a recommendation in respect of this resolution.

11.0 RESOLUTION 10 – APPROVAL OF PERFORMANCE RIGHTS – NON-EXECUTIVE CHAIRMAN – MR CHARLES LEW

11.1 Introduction

ASX Listing Rule 10.14 requires that an entity must not permit any of the following persons to acquire securities under an employee incentive scheme without the approval of holders of ordinary securities of the acquisition;

- A director of the entity
- An associate of the director
- A person whose relationship with the entity, is in ASX's opinion, such that approval should be obtained.

The following information is provided in accordance with ASX Listing Rule 10.15.

Charles Lew was appointed Non-Executive Chairman of the Company on 9 December 2013. The Company has agreed to grant Mr Charles Lew Performance Rights for nil consideration as part of his remuneration by the Company.

In introducing an equity component to his remuneration, the Company's objective is to provide an added incentive to Mr Lew to focus on the delivery of long term Shareholder returns. The Performance Rights will be issued under the EPRP subject to the necessary Shareholder approval.

The persons who are eligible to participate in the scheme are the Directors of the Company, Mr Charles Lew, Mr Anthony Ho, Mr Malcolm Mason, Mr Simon Wallace and senior executives of the Company.

No securities have been issued under the Performance Rights Plan to date.

If approved by Shareholders, the Board intends to issue the Performance Rights as soon as reasonably practicable following the Annual General Meeting on the terms and conditions set out below.

11.2 Performance Rights

Performance Rights are to be issued in accordance with the following matrix.

The maximum rights to be issued is five million. The rights are to be granted as soon as reasonably practical following the Annual General Meeting but will not vest until the performance hurdles have been met in accordance with the following matrix:

Share Price Appreciation over base of 6.5 cents ¹	Action A ²	Action B ²
>100%	5,000,000	5,000,000
>75%	3,750,000	3,750,000
>50%	2,500,000	2,500,000

¹ Price as at 3 October 2014

² Key milestones are:

Action A – Completion of a pre-feasibility study for one or more of the Company's projects.

Action B – Completion of capital raisings during the term of the performance rights of at least \$7 million.

On vesting each performance right is able to be converted into one ordinary share, which will rank equally in all respects with existing shares on issue.

11.3 Performance Period and Vesting

The performance period is two years commencing 1 July 2014, and the securities will be issued no later than 18 November 2015 being 12 months after the date of the meeting.

Any Performance Rights which do not vest will lapse no later than 30 November 2016.

Shares allocated following the exercise of Performance Rights are subject to certain restrictions on disposal as set out in the Performance Rights Plan and subject also to observance of the Company's Share Trading Policy in dealing with Shares.

11.4 Other information

The Board of Directors have determined that amount of performance rights constitute reasonable remuneration in the event they were granted and shareholder approval under Chapter 2E of the Corporations Act 2001, is therefore not required.

No loan will be made to the Director in connection with the acquisition of the performance rights.

No amount is payable on the grant or vesting of Performance Rights.

There are no options which have been granted to Mr Ho pursuant to listing rule 10.11.

No securities have been issued under Listing Rule 10.14 since the date of the approval of the Performance Rights Plan being 30 November 2012.

11.5 Directors' Recommendation

The Directors having an interest in the Performance Rights plan do not make a recommendation in respect of this resolution.

12.0 RESOLUTION 11 – APPROVAL OF 10% PLACEMENT CAPACITY

12.1 Background

ASX Listing Rule 7.1A enables eligible entities to issue Equity Securities (as that term is defined in the ASX Listing Rules) up to 10% of their issued capital through placements over a twelve month period after the Annual General Meeting (10% Placement Facility). The 10% Placement Facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1.

An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The effect of Resolution 11 will be to allow the Directors to issue the Equity Securities under ASX Listing Rule 7.1A during the 10% Placement Period separate to the Company's 15% placement capacity under ASX Listing Rule 7.1.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. Resolution 11 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The exact number of Equity Securities (if any) to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1.A.2 (refer to Section 12.2 (c) below). The Company may use funds raised from any 10% Placement Facility for funding specific projects and/or general working capital. It may also use the 10% Placement Facility for non cash consideration purposes such as joint venture or project acquisitions (although the Company presently has no intention to do so).

12.2 ASX Listing Rule 7.1.A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has one class of Equity Securities being Shares.

(c) Formula for calculating 10% Placement Facility

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$(A \times D) - E$

A is the number of shares on issue 12 months before the date of the issue or agreement:

- (i) plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;
- (iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under ASX Listing Rules 7.1 and 7.4;
- (iv) less the number of fully paid shares cancelled in the 12 months.

Note: A has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under ASX Listing Rules 7.1 or 7.4.

(d) ASX Listing Rule 7.1 and ASX Listing Rule 7.1A

The ability of an entity to issue Equity Securities under ASX Listing Rule 7.1A is in addition to the entity's 15% placement capacity under ASX Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to Section 2(c) above).

(e) Minimum Issue Price

The issue price of Equity Securities issued under ASX Listing Rule 7.1A must be not less than 75% of the volume weighted average price of Equity Securities in the same class calculated over the 15 Trading Days (as defined in the ASX Listing Rules) immediately before:

(i) the date on which the price at which the Equity Securities are to be issued is agreed; or

(ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under ASX Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

(i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or

(ii) the date of the approval by shareholders of a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

(the 10% Placement Period).

12.3 ASX Listing Rule 7.1A

The effect of Resolution 11 will be to allow the Directors to issue the Equity Securities under ASX Listing Rule 7.1A during the 10% Placement Period separate to the Company's 15% placement capacity under ASX Listing Rule 7.1. Resolution 11 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

12.4 Specific Information required by ASX Listing Rule 7.3A

Pursuant to and in accordance with ASX Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

(a) Minimum Price

Any Equity Securities issued will be issued at an issue price of not less than 75% of the volume weighted average price for the Company's Equity Securities over the 15 Trading Days immediately before:

(i) the date on which the price at which the Equity Securities are to be issued is agreed; or

(ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(b) Risk of Voting Dilution

If Resolution 11 is approved by the Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company would be diluted as shown in the below table (in the case of unlisted options, only if the unlisted options are exercised). There is a risk that:

(i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and

(ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A(2) as at the date of this Notice of Meeting.

The table also shows:

(i) two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary shares the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro - rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders' meeting; and

(ii) two examples of where the price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable "A" in ASX Listing Rule 7.1A.2		Dilution		
		50% decrease in Deemed Price \$0.0325cents	Deemed Price \$0.065 cents	100% Increase in Deemed Price \$0.13cents
Current Variable A 261,279,572 Shares	10% Voting Dilution	26,127,957 shares	26,127,957 shares	26,127,957 shares
	Funds Raised	\$849,159	\$ 1,698,317	\$3,396,634
50% increase in current Variable A 391,919,358 shares	10% Voting Dilution	39,191,935 shares	39,191,935 shares	39,191,935 shares
	Funds Raised	\$1,273,738	\$2,547,476	\$5,094,952
100% increase in current Variable A 522,559,144 Shares	10% Voting Dilution	52,255,914 shares	52,255,914 shares	52,255,914 shares
	Funds Raised	\$1,698,317	\$3,396,634	\$6,793,260

The table has been prepared on the following assumptions:

(i) The Company issues the maximum securities available under the ASX Listing Rule 7.1A being 10% of the Company's shares on issue at the date of the Meeting;

(ii) No listed or unlisted options are exercised into fully paid ordinary securities before the date of the issue of securities under ASX Listing Rule 7.1A. The Company has 22,500,000 unlisted options on issue at the date of this Notice of Meeting;

(iii) The table does not demonstrate an example of dilution that may be caused to a particular shareholder by reason of placements under ASX Listing Rule 7.1A, based on that shareholder's holding at the date of the Meeting;

(iv) The table only demonstrates the effect of issues of securities under ASX Listing Rule 7.1A. It does not consider placements made under ASX Listing Rule 7.1, the "15% rule";

(v) The price of ordinary securities is deemed for the purposes of the table above to be \$0.065 cents, being the closing price of the Company's listed securities on ASX on 3 October 2014 (**Deemed Price**). The Deemed Price is indicative only and does not consider the 25% discount to market that the securities may be placed at;

(vi) The table does not demonstrate the effect of listed options being issued under ASX Listing Rule 7.1A. It only considers the issue of the fully paid ordinary securities;

(c) Date of Issue

The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 12 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities or ASX Listing Rule 11.2 (disposal of main undertaking)).

(d) Purpose of Issue under the 10% Placement Capacity

The Company may seek to issue the Equity Securities for the following purposes:

(i) non - cash consideration including for joint venture, licensing or collaboration agreements or the acquisition of new projects (although the Company presently has no proposal to do so). In such circumstances the Company will provide a valuation of the non - cash consideration as required by ASX Listing Rule 7.1A.3; or

(ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards advancing specific Company projects and/or general working capital.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) Allocation Policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case by - case basis having regard to factors including but not limited to the following:

(i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;

(ii) the effect of the issue of the Equity Securities on the control of the Company;

(iii) the financial situation and solvency of the Company; and

(iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice of Meeting but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company were to pursue an acquisition and were it to be successful in acquiring new resources assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new resources assets or investments.

(f) Previous Approval

The Company obtained Shareholder approval under ASX Listing Rule 7.1A on 14 November 2013.

The total number of Equity Securities issued in the 12 months preceding the date of the Meeting is 75,810,042 representing 41.3% of the total number of Equity Securities on issue at the commencement of that 12 month period.

The details of all issues of Equity Securities by the Company during the 12 months preceding the date of the Meeting is set out in schedule 1 to this Explanatory Memorandum.

(g) Voting Exclusion Statement

A voting exclusion statement is included in the Notice of Meeting to which this Explanatory Statement relates. At the date of that Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

12.5 Directors' Recommendation

The Board recommends that Shareholders vote in favour of this resolution.

GLOSSARY

\$ means Australian dollars.

AGM, Annual General Meeting or Meeting means the meeting convened by the Notice.

Annual Report means the Annual Report of the Company for the year ended 30 June 2014.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

Company means Hastings Rare Metals Limited (ACN 122 911 399).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001 (Cth)*.

Directors means the current directors of the Company.

Equity Securities has the same meaning as in the Listing Rules.

EST means Eastern Summer Time as observed in Sydney, New South Wales.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Notice or Notice of Meeting or Notice of Annual General Meeting means this notice of annual general meeting including the Explanatory Statement and the Proxy Form.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2014.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

VWAP means Volume Weighted Average Price

SCHEDULE 1 - INFORMATION REQUIRED BY LISTING RULE 7.3A.6 – RESOLUTION 11

	Issue 1	Issue 2	Issue 3	Issue 4
Date of issue:	3 December 2013	23 December 2013	31 March 2014	25 June 2014
Number issued:	1,100,000	630,156	8	74,079,878
Class/Type of equity security:	Ordinary shares	Ordinary shares	Ordinary Shares	Ordinary shares
Summary of terms:	Issued to Directors in lieu of cash payment. Approved by shareholders at AGM held on 14 November 2013	Issued to service providers in settlement of invoices	Exercise of options	Rights Issue on the basis of two shares for every five held at 3.8 cents per share
Names of persons who received securities or basis on which those persons was determined:	Anthony Ho, Malcolm Mason and Guy Robertson	Issued to service providers in settlement of invoices	Option holder	Shareholders who subscribed for their rights
Price:	550,000 at 9 cents per share, 312,000 at 6.4 cents per share and 238,000 at 4.2 cents per share	163,875 at 5.1 cents and 466,281 at 5.2 cents	15 cents per share	3.8 cents per share
Discount to market price (if any):	N/A In aggregate issued at a premium of 89%	1.9%	N/A	20% at the time of the announcement
For cash issues				
Total cash consideration received:	N/A	N/A	N/A	\$2.8 million

	Issue 1	Issue 2	Issue 3	Issue 4
Amount of cash consideration spent:	N/A	N/A	N/A	Nil
Use of cash consideration:	N/A	N/A	N/A	N/A
Intended use for remaining amount of cash (if any):	N/A	N/A	N/A	Yangibana Drill Extended Programme \$1.2m, other exploration \$1m, Working Capital \$600,000

SCHEDULE 2 – TERMS AND CONDITIONS OF OPTIONS – RESOLUTION 5

The Options entitle the holder (**Optionholder**) to subscribe for Shares on the following terms and conditions:

- (a) Subject to (i), each Option gives the Optionholder the right to subscribe for one Share.
- (b) The Options will expire at 5.00pm (EST) on 30 November 2016 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option will be \$0.08 (**Exercise Price**).
- (d) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised(**Exercise Notice**); and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised.

An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.

- (f) Within 2 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (d) The Schedule 2 Options will be freely transferable in whole or in part at any time prior to expiry.
- (g) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (h) The Company may apply for listing of the options on the ASX.
- (i) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (j) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (k) Subject to (i), an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.



HASTINGS RARE METALS LIMITED

ACN: 122 911 399

REGISTERED OFFICE:

SUITE 2508 LEVEL 25
31 MARKET STREET
SYDNEY NSW 2000



« REF No. »

«HOLDER_NAME»
«ADDRESS_LINE_1»
«ADDRESS_LINE_2»
«ADDRESS_LINE_3»
«ADDRESS_LINE_4»
«ADDRESS_LINE_5»

SHARE REGISTRY:

Security Transfer Registrars Pty Ltd

All Correspondence to:

PO BOX 535, APPLECROSS WA 6953
AUSTRALIA
770 Canning Highway, APPLECROSS WA 6153
AUSTRALIA
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Code:

HAS

Holder Number:

«HOLDER_No.»

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

VOTE ONLINE

Lodge your proxy vote securely at www.securitytransfer.com.au

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

Online Proxy ID:

«ONLINE PRX ID»

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

☐

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 11:00am (AEDT) on Tuesday, 18 November 2014 at Boardroom of HLB Mann Judd, Level 19, 207 Kent Street, Sydney, NSW 2000 and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTIONS

FOR AGAINST ABSTAIN*

RESOLUTIONS

FOR AGAINST ABSTAIN*

1. Adoption of Remuneration Report

☐☐☐

7. Approval to issue shares in lieu of Director's fees – Mr Charles Lew

☐☐☐

2. Re-election of Director – Mr Charles (Foon Keong) Lew

☐☐☐

8. Issue of Performance Rights to Non Executive Director – Mr Anthony Ho

☐☐☐

3. Re-election of Director – Mr Anthony Ho

☐☐☐

9. Issue of Performance Rights to Non Executive Director – Mr Malcolm Mason

☐☐☐

4. Approval to issue 70,000,000 shares

☐☐☐

10. Issue of Performance Rights to Non Executive Director – Mr Charles Lew

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5. Approval to issue 10,000,000 options

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11. Approval of Capacity of shares

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6. Approval to issue shares in lieu of Director's fees – Mr Malcolm Mason

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If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director & Sole Company Secretary

Director Secretary

Director/Company Secretary

Proxies must be received by Security Transfer Registrars Pty Ltd no later than 11:00am (AEDT) on Sunday, 16 November 2014.

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Name:

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This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

Email registrar@securitytransfer.com.au

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.