

30 January 2017

DECEMBER 2016 QUARTERLY ACTIVITIES REPORT

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Board

Charles Lew (Chairman)
Anthony Ho (Non-Exec Director)
Malcolm Mason (Non-Exec Director)
Jean Claude Steinmetz (Non-Exec Director)

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HIGHLIGHTS

- **First phase drilling completed at Fraser's Southwest with excellent results from Auer North prospect.**
- **Updated resource estimate includes the first Measured Resources* for the Yangibana Project.**
- **Total diluted resources are 13.4 million tonnes at 1.18% total rare earths oxides (TREO) including 0.39% neodymium plus praseodymium oxides ($\text{Nd}_2\text{O}_3 + \text{Pr}_2\text{O}_3$).**
- **This represents a 19% increase in contained TREO compared with the October 2015 resource estimate.**
- **New figures show a 22% increase in contained $\text{Nd}_2\text{O}_3 + \text{Pr}_2\text{O}_3$, used in the high-growth permanent magnets industry, compared with previous estimate.**
- **Comminution tests completed and incorporated into DFS.**
- **Appointment of ANSTO to conduct the Hydrometallurgical piloting.**
- **Identification of a candidate reagent that can deliver superior upgrade performance of the mineralisation with significant lower operating cost.**

**Measured Resources are the highest category of resource classification, where the details of the mineralisation are so well established that the resources can be estimated with sufficient confidence to support production planning and the economic viability of the deposit.*

YANGIBANA PROJECT

Resource Extension Drilling

During the quarter, the first phase of drilling at the Fraser's Southwest targets was completed. Table 1 provides the best intersections from the Auer North prospect (Figure 1). Due to the steep dip of the mineralisation in this area and the declination of the holes (60° - 70°), true widths are estimated to be approximately half of the intersected width.

Hole ANRC	From (m)	To (m)	Interval (m)	%TREO	%Nd ₂ O ₃ +Pr ₂ O ₃	%(Nd ₂ O ₃ +Pr ₂ O ₃)/TREO
7	19	26	7	1.42	0.51	36
8	39	48	9	1.30	0.46	35
9	23	32	9	1.28	0.51	40
27	95	101	6	1.94	0.61	33
28	98	108	10	2.08	0.69	33
32	81	90	9	1.56	0.62	39
38	51	56	5	1.10	0.36	33
50	55	62	7	1.13	0.53	47

Table 1 – Auer North Prospect best drill intersections

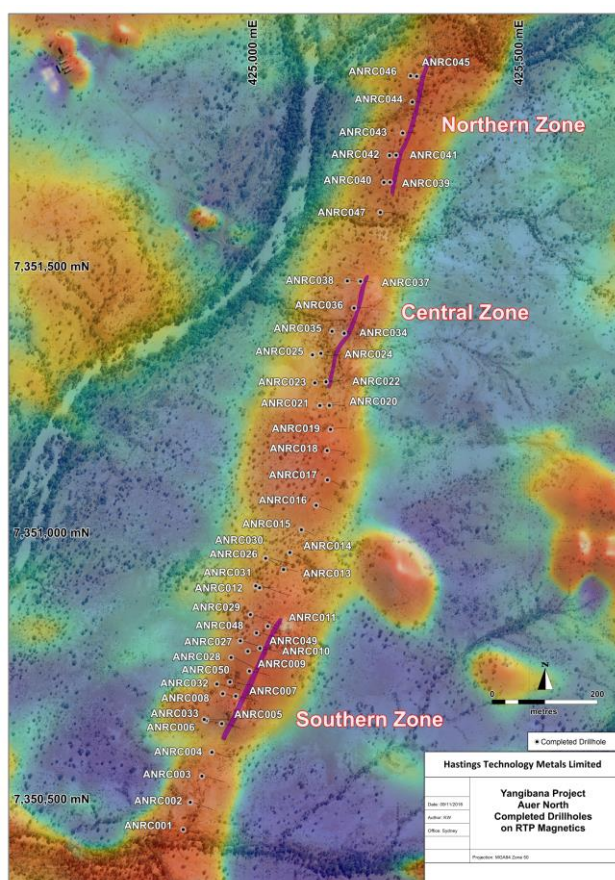


Figure 1 – Yangibana Project – Auer North drillholes on magnetics base

The Auer North mineralisation remains open at depth and to the north with further drilling warranted.



December 2016 JORC Resources

During the quarter, new JORC resource estimates were undertaken by independent consultant Lynn Widenbar, Principal of Lynn Widenbar and Associates. These estimates include the first *Measured Resources for the Project, with 7.6 million tonnes now defined in the Measured plus Indicated Resource categories.

The new total diluted resources :-

Category	Tonnes	$\text{Nd}_2\text{O}_3 + \text{Pr}_2\text{O}_3$	TREO	Nd_2O_3	Pr_2O_3
		%	%	ppm	ppm
Measured	2,155,000	0.42	1.01	3,410	770
Indicated	5,446,000	0.41	1.30	3,260	870
Inferred	5,807,000	0.36	1.12	2,820	770
TOTAL	13,408,000	0.39	1.18	3,100	810

Note - Rounding discrepancies will appear in all tables

These resources occur in a number of deposits as shown in Figure 1. The resources incorporate dilution based on 0.5m beyond both the footwall and the hangingwall to the mineralisation. Average dilution over the total resources is 30%.

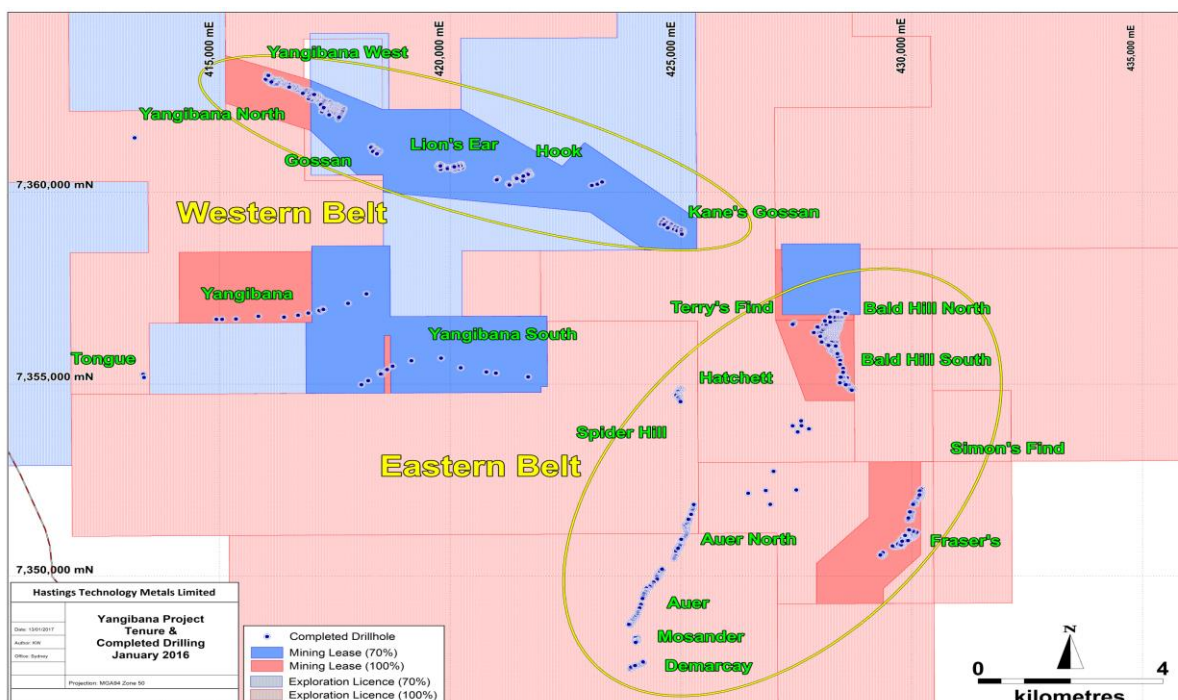


Figure 1 – Yangibana Project. Location of Rare Earths Deposits



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

Category	Tonnes	Nd ₂ O ₃ +Pr ₂ O ₃	TREO	Nd ₂ O ₃	Pr ₂ O ₃
		%	%	ppm	ppm
Measured	2,155,000	0.42	1.01	3,410	770
Indicated	3,221,000	0.41	1.13	3,300	820
Inferred	3,416,000	0.36	0.98	2,890	740
TOTAL	8,792,000	0.39	1.04	3,200	780

and a 70% interest in the following resources:-

Category	Tonnes	Nd ₂ O ₃ +Pr ₂ O ₃	TREO	Nd ₂ O ₃	Pr ₂ O ₃
		%	%	ppm	ppm
Indicated	2,225,000	0.42	1.55	3,200	940
Inferred	2,391,000	0.35	1.32	2,730	810
TOTAL	4,616,000	0.38	1.43	2,960	870

The (Nd₂O₃+Pr₂O₃) to TREO ratio varies from an average of 42% within tenements in which Hastings holds 100% to an average of 27% within tenements in which it holds a 70% interest.

Comparison with October 2015 estimate

The updated resources represent a significant increase and upgrade compared to the October 2015 resources estimate.

Significantly, the contained TREO has increased to 157,950 tonnes, a 19% increase on the October 2015 estimate, and contained Nd₂O₃+Pr₂O₃ has increased to 52,400 tonnes, a 22% increase on the October 2015 estimate. This indicates a significant increase in the value of each tonne of resource in the ground.

Metallurgy Update

The Comminution test programme has been completed and the process design criteria for DFS have been finalised.

ANSTO (Australian Nuclear Science & Technology Organisation) has been appointed to conduct the Hydrometallurgical Piloting.

Metallurgical test trials are nearing completion and additional fine tuning of the process conditions for the Beneficiation and Hydrometallurgical processes are in progress.



Evaluation of alternative collector reagents for the Beneficiation process has identified a candidate reagent that can deliver superior upgrade performance of the mineralisation with significant lower operating cost. The annual cost saving is estimated to be 25% lower than the figure used in the pre-feasibility study. Further testing to fully develop the alternative collector reagent is in progress.

Beneficiation piloting is scheduled to commence in Q1, 2017, to be followed by hydrometallurgy piloting.

With the appointment of Robin Zhang from China to strengthen our metallurgy team, the Company has an optimised flow sheet with the best available technology to process the rare earths (RE) concentrate after the beneficiation stage.

BROCKMAN PROJECT

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

CORPORATE

The Company completed a secondary placement during the quarter issuing 21,500,000 shares at 11 cents a share raising \$2,365,000 before costs. A further 5,000,000 shares will be issued to a related party, subject to shareholder approval, raising a further \$550,000 before costs.

In addition, options holders exercised 18,000,000 options during the period raising a further \$1,080,000.

TERMINOLOGY USED IN THIS REPORT

Total Rare Earths Oxides, TREO, is the sum of the oxides of the light rare earth elements lanthanum (La), cerium (Ce), praseodymium (Pr), neodymium (Nd), and samarium (Sm) and the heavy rare earth elements europium (Eu), gadolinium (Gd), terbium (Tb), dysprosium (Dy), holmium (Ho), erbium (Er), thulium (Tm), ytterbium (Yb), lutetium (Lu), and yttrium (Y).

***Measured Resources** are the highest category of resource classification, where the details of the mineralisation are so well established that the resources can be estimated with sufficient confidence to support production planning and the economic viability of the deposit.



For further information please contact:

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About Hastings Technology Metals

- Hastings Technology Metals is a leading Australian rare earths company, with two rare earths projects hosting JORC-compliant resources in Western Australia.
- The Yangibana Project hosts JORC Indicated and Inferred Resources totalling 13.41 million tonnes at 1.18% TREO (comprising Measured Resources of 2.16 million tonnes at 1.01% TREO, Indicated Resources of 5.45 million tonnes at 1.30% TREO and Inferred Resources of 5.81 million tonnes at 1.12% TREO), including 0.39% $\text{Nd}_2\text{O}_3 + \text{Pr}_2\text{O}_3$.
- The Brockman deposit contains JORC Indicated and Inferred Resources totalling 41.4 million tonnes (comprising 32.3 million tonnes Indicated Resources and 9.1 million tonnes Inferred Resources) at 0.21% TREO, including 0.18% HREO, plus 0.36% Nb_2O_5 and 0.90% ZrO_2 .
- Rare earths are critical to a wide variety of current and new technologies, including smart phones, hybrid cars, wind turbines and energy efficient light bulbs.
- The Company aims to capitalise on the strong demand for critical rare earths created by expanding new technologies.

Competent Persons' Statement

The information in this announcement that relates to Resources is based on information compiled by Lynn Widenbar. Mr. Widenbar is a consultant to the Company and a member of the Australasian Institute of Mining and Metallurgy. The information in this announcement that relates to Exploration Results is based on information compiled by Andy Border, an employee of the Company and a member of the Australasian Institute of Mining and Metallurgy.

Each has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this announcement and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code"). Each consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.



TENEMENT SCHEDULE

as at 31 December 2016 (All tenements are in Western Australia)

YANGIBANA PROJECT

Hastings Technology Metals Ltd

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

P09/482 - 100%

M09/157 - 100%

Gascoyne Metals Pty Limited (100% subsidiary)

Es09/1989, 2007, 2137, - 100%

Es09/1043, 1049, 1703, 1704, 1705, 1706 - 70%

Ms09/159, 161, 163 - 70%

Ms09/160, 164, 165 - 100%

G09/10 - 100%

G09/11 - 70%

L09/66-75 - 100%

Yangibana Pty Limited (100% subsidiary)

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

P09/467 - 100%

Ms09/158, 162 - 100%

BROCKMAN PROJECT

Brockman Project Holdings Pty Limited (100% subsidiary)

P80/1626 to 1635 - 100%

E80/4555 - 100%