ASX Announcement
29th April 2014

MARCH 2014 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- **Field work commences on recently identified radiometric anomalies at Hastings**
- **Scintillometer-based surveys confirm previous estimates on potential dimensions of both targets**
- **Major increase in landholding at Yangibana provides Hastings with interests in 100% of the Gifford Creek Carbonatite Complex and all known rare earth targets with pre-JORC resources within the Complex**
- **Native Title Site clearance clears way for drilling at Yangibana North prospect in Q2 2014**

HASTINGS PROJECT

The Company commenced field work at the recently identified radiometric anomalies within its Prospecting Licences at the Hastings Project during the quarter. Scintillometer-based systematic surveys were carried out at both Levon and Haig prospects and rock chip samples were collected and have been despatched for assay. In addition, selected samples, along with some from the area of the existing resource at Niobium Tuff, have been sent for petrology/mineralogy.

A total of 52 samples were collected from the Levon Prospect, with 50 being collected during a scintillometer-based programme that returned values as shown in Figure 1.

Of interest, the elevated scintillometer readings are associated with tuffaceous units that appear to be coarser-grained than those associated with the mineralisation at the defined resources within the Niobium Tuff unit. Seven samples have been sent for petrology/mineralogy.

The scintillometer survey confirms the potential for a zone of anomalous rare earths- and rare metals-mineralised volcanoclastics with dimensions as previously estimated (ASX release, 1st July 2013). Readings exceeding 200 counts per second (cps) provided a precise definition of the limits to the mineralised zone within the Niobium Tuff resources, and the limited previous rock chip sampling carried out by the Company at Levon provide encouragement that this correlation holds at Levon.

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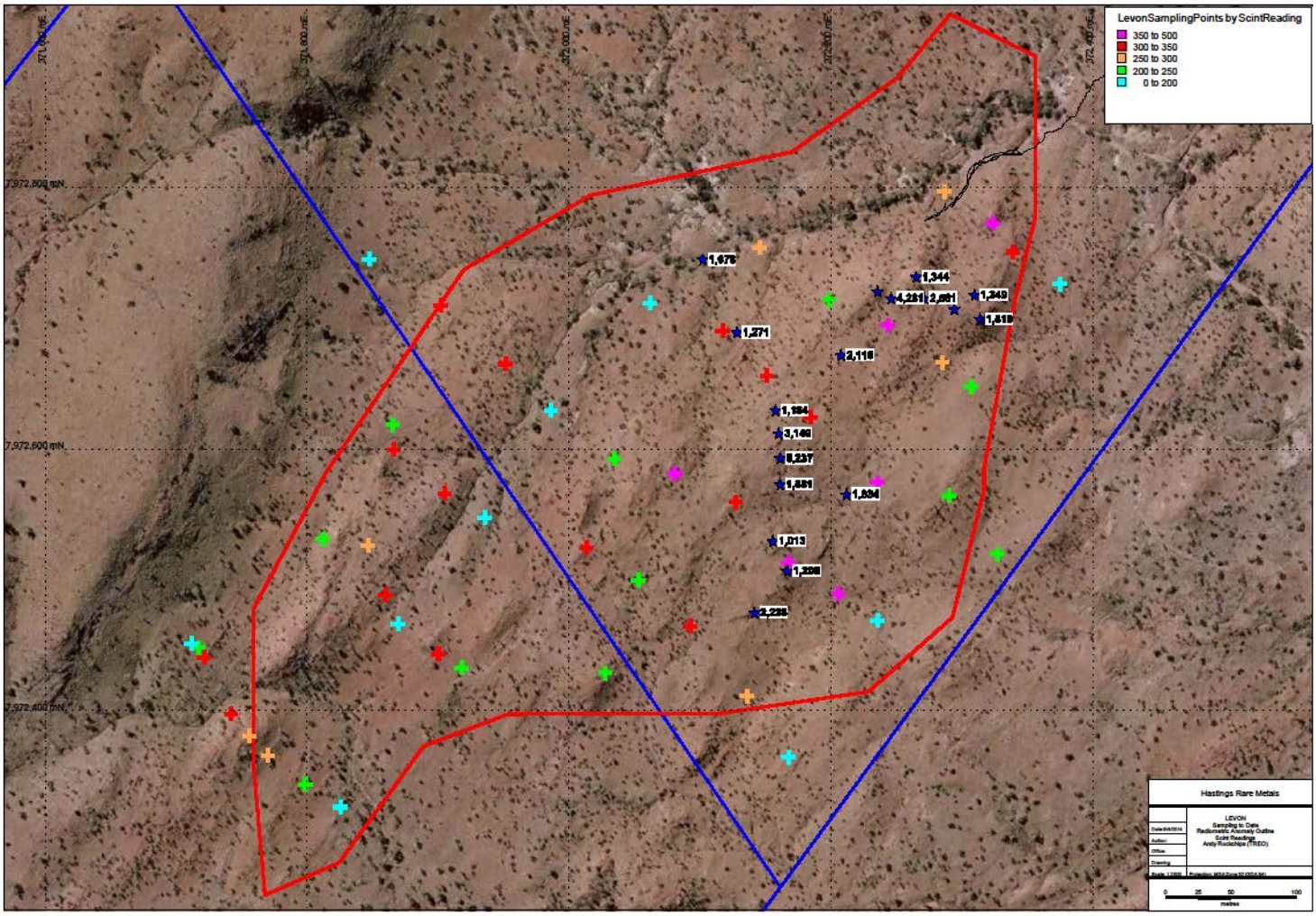


Figure 1 – Levon Prospect. Scintillometer readings April 2014, with previous rock chip sample assays (TREO*) and airborne radiometric (thorium) anomaly

A total of 25 samples were collected from the Haig prospect during a scintillometer-based survey that returned results as shown in Figure 2.

The Haig radiometric anomaly is related to a steeply-sided intrusive trachytic flow dome. Three samples have been sent for petrology/mineralogy. This prospect is unusual in that it is the only one of twelve such flow domes identified by historical mapping that appears to be rare earths- and rare metals-anomalous.

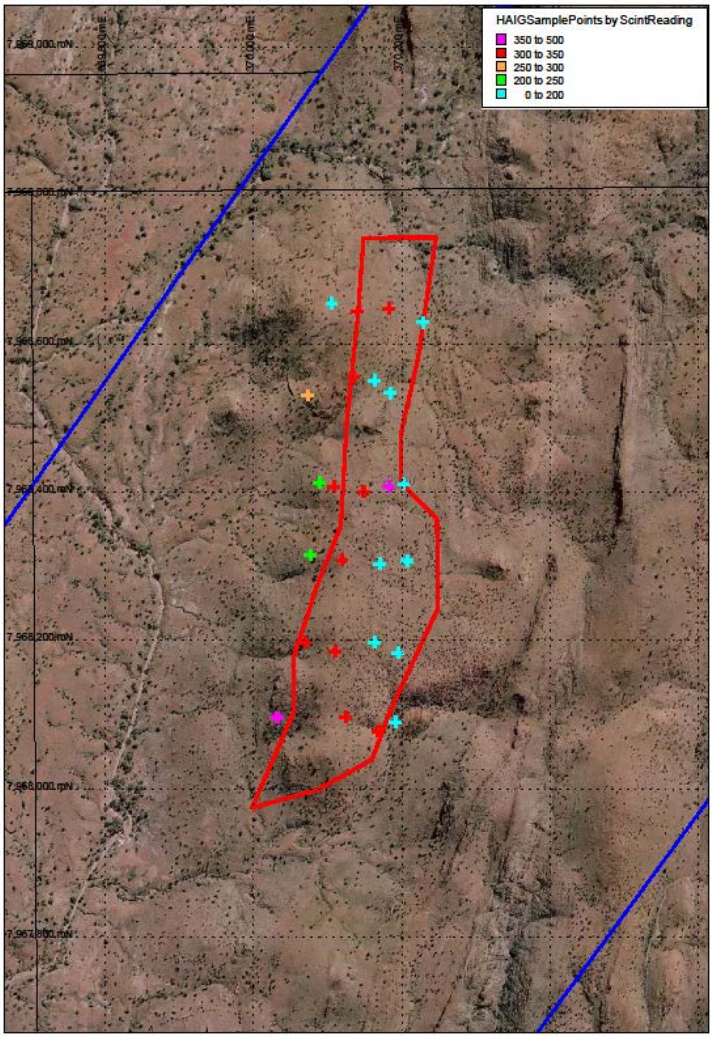


Figure 2 - Haig Prospect. Scintillometer readings April 2014, with airborne radiometric (thorium) anomaly

Again, previous estimates of the potential dimensions of the anomalous zone were confirmed by the scintillometer survey.

Hastings is awaiting the results of the analyses and will then decide on targets to be drilled in a reverse circulation programme that is planned to commence in June 2014. This programme will include six holes at the previously defined Southern Extension to the current JORC resources within the Niobium Tuff unit.

YANGIBANA PROJECT

During the quarter, the Company, through wholly-owned subsidiary Gascoyne Metals Pty Limited, acquired a 100% interest in five additional Exploration Licences and one Prospecting Licence, and has made application for a 100% interest in two additional Exploration Licences and three Prospecting Licences in the Yangibana area. See Tenement Schedule on page 8.

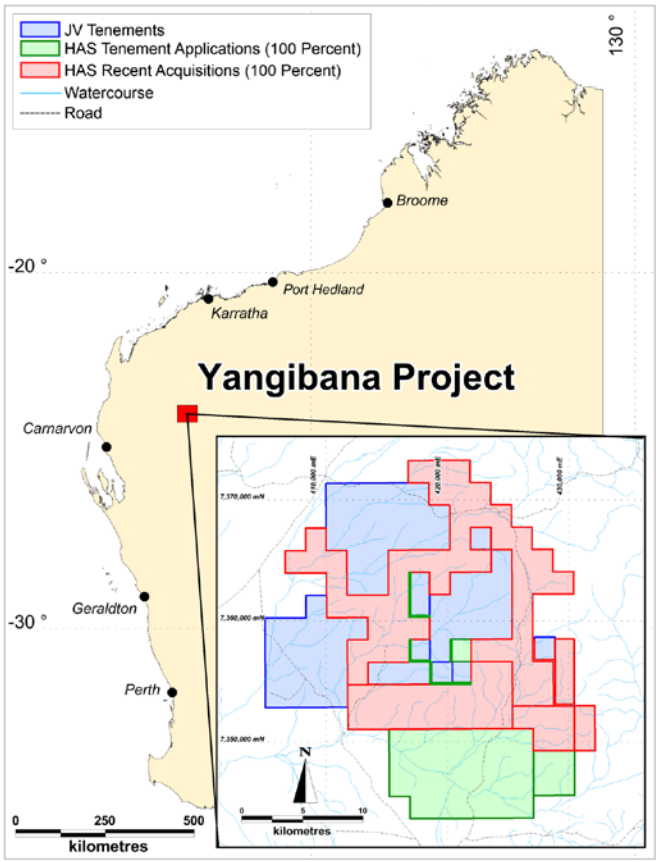


Figure 3 – Yangibana Project Following Tenement Acquisitions/Applications

This activity provides Hastings, through its subsidiary, with an interest in tenements covering approximately 550 sq km (up from 205 sq km) (Figure 3) enclosing almost all of the Gifford Creek Carbonatite Complex.

The locations of these tenements with respect to the underlying geology are shown in Figure 4.

Included within the acquired tenements are a number of prospects that were drilled during the last serious phase of exploration in this area in the late 1980s. Hastings now holds tenements over all of the prospects on which non-JORC resources were estimated following that previous drilling programme.

These previous non-JORC resources total just over 3.5 million tonnes at 1.64% TREO (total rare earth oxides*). Of most interest is the high content of CREO (critical rare earth oxides**) at 4250ppm that comprises 26% of TREO based largely on the high neodymium content with the oxide (Nd_2O_3) providing 24% of TREO at almost 4000ppm. Europium content, averaging 115ppm Eu_2O3 is also of interest.

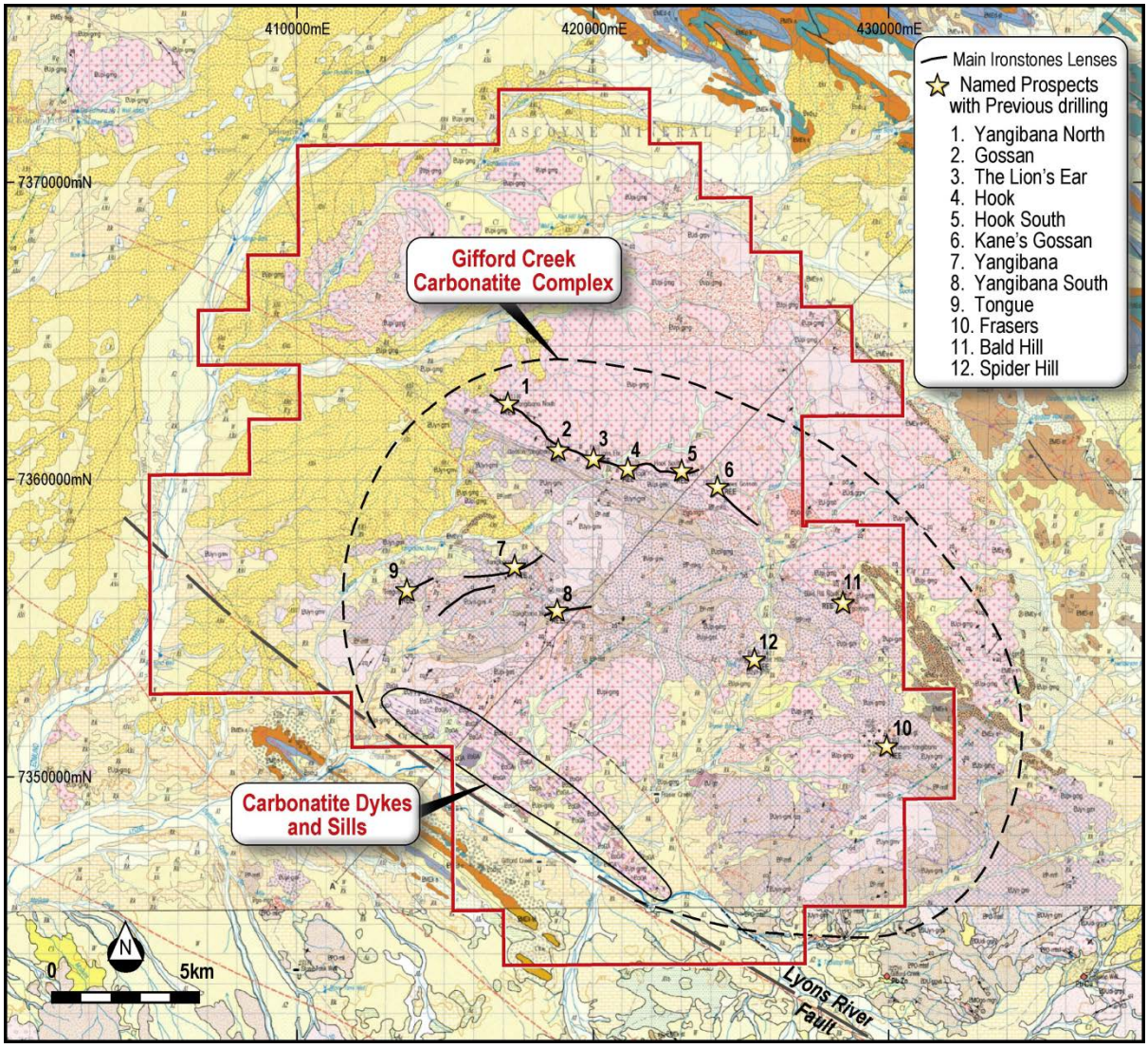


Figure 4 – Yangibana Project, Previously Drilled Rare-Earths Bearing Ironstone Lenses, and Gifford Creek Carbonatite Complex

Significantly two of the recently acquired prospects previously returned TREO* grades exceeding the overall average, but with CREO** grades and Nd_2O_3 grades well above average. Drilling at Frasers prospect led to the estimation of non-JORC resources averaging 2.18% TREO* including 7950ppm CREO** including 7625ppm Nd_2O_3 while those at Bald Hill South averaged 1.65% TREO* including 6350ppm CREO** including 5980ppm Nd_2O_3. The previous drilling at Frasers recorded an extremely high neodymium grade interval of 2m at 2.5% Nd_2O_3 within a broader mineralised interval.

The Company has successfully completed the Native Title Site Clearance for its proposed drilling at Yangibana North (60% JV interest) and has signed a contract with McKay Drilling to undertake the reverse circulation drilling programme, commencing in early May this year.

The planned programme involves drilling on nine sections spaced at 50m along the main outcrop of the Yangibana North prospect. Up to five holes will be drilled on each section as shown in Figure 5. Approximately 350m of drilling is required on each of the nine sections, totalling 3,150m.

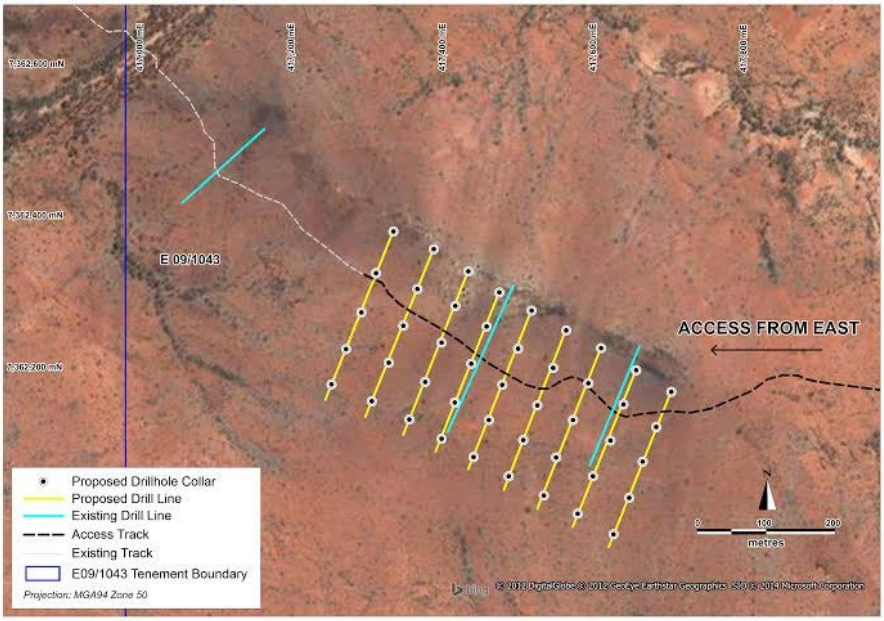


Figure 5 – Aerial view of proposed drill sections

Drilling carried out in the 1980s indicates that mineralisation at Yangibana North has a shallow (20°-30°) dip to the south. The planned drilling is to confirm historical results that indicate average grades of around 1.6% TREO* including 4000ppm Nd_2O_3 from this zone above the water table, and to test the primary mineralisation at greater depth. Assuming results are in line with previous values, Hastings will commission the first JORC resource estimation for the Yangibana Project.

*TREO is the sum of the oxides of the heavy rare earth elements (HREO) and the light rare earth elements (LREO).

HREO is the sum of the oxides of 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)

LREO is the sum of the oxides of the light rare earth elements lanthanum (La), cerium (Ce), praseodymium (Pr), neodymium (Nd), and samarium (Sm).

**CREO is the sum of the oxides of Nd, Eu, Tb, Dy and Y that were so designated by the US Department of Energy (2010) based on the availability and future perceived requirements for these particular rare earths.

Corporate

In January 2014, Mr Andy Border was appointed General Manager, Exploration. Mr Border was previously Exploration Manager for the Company and led the team that defined the JORC resources at the Hastings Project. He has over 35 years' experience in mining and mineral exploration covering a wide range of commodities on projects throughout Australia and overseas, in roles including CEO and COO.

About Hastings Rare Metals

- Hastings Rare Metals is a leading Australian rare earths company, with two rare earths projects in Western Australia.
- The Hastings project is at an advanced stage of development and contains JORC Indicated and Inferred Resources totaling 36.2 million tonnes at 0.21% TREO, including 0.18% HREO, plus 0.89% ZrO_2 and 0.35% Nb_2O_5.
- 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 Hastings deposit contains predominantly heavy rare earths (HREO) (85%), such as dysprosium and yttrium which are substantially more valuable than the more common light rare earths (LREO).
- The company aims to capitalise on the strong demand for heavy rare earths created by expanding new technologies. It is currently validating the extensive historical work and undertaking further scoping study to confirm economics.

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Competent Persons' Statement

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

Each has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this report and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code"). Each consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

The information in this report was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

TENEMENT SCHEDULE

Hastings Project Holdings Pty Ltd (100% Owned Subsidiary)

Owns a 100% interest in the Hastings Project

P80/1626	Western Australia
P80/1627	Western Australia
P80/1628	Western Australia
P80/1629	Western Australia
P80/1630	Western Australia
P80/1631	Western Australia
P80/1632	Western Australia
P80/1633	Western Australia
P80/1634	Western Australia
P80/1635	Western Australia
E80/4555	Western Australia

Gascoyne Metals Pty Limited (100% Owned Subsidiary)

Owns a 60% interest in the following Yangibana Project tenements

E09/1043	Western Australia
E09/1049	Western Australia
E09/1703	Western Australia
E09/1704	Western Australia
E09/1705	Western Australia
E09/1706	Western Australia

Owns a 95% interest in the following Yangibana Project tenements

E09/1943	Western Australia
E09/1944	Western Australia
E09/1700	Western Australia
P09/467	Western Australia
E09/2007	Western Australia
E09/2018	Western Australia

Owns 100% of the additional Yangibana Applications

E09/1989	Western Australia
E09/2084	Western Australia
E09/2086	Western Australia
P09/480	Western Australia
P09/481	Western Australia
P09/482	Western Australia