HASTINGS
Technology Metals Limited

Hastings Technology Metals Ltd

ABN 43 122 911 399

Interim Financial Report

December 2018

Contents

DIRECTORS' REPORT

Your directors submit the interim financial report of the consolidated entity consisting of Hastings Technology Metals Ltd (the "Company") and the entities it controlled during the period (the "Group") for the half year ended 31 December 2018. Pursuant to the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of directors who held office during or since the end of the interim period and to the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Name	Particulars
Mr Charles Lew	Executive Chairman
Mr Jean Claude Steinmetz	Non-executive Director
Mr Neil Hackett	Non-executive Director (Appointed 30 November 2018)
Mr Malcolm Randall	Non-executive Director (Appointed 11 February 2019)
Mr Guy Robertson	Executive Director (Resigned 30 November 2018)

Company Secretaries

Mr Neill Hackett

Review of Operations

Yangibana Project

Mineral Resources, Ore Reserves, Mining, Metallurgy and Development

At the end of the period under review, Hastings reported a significant increase in the Probable Ore Reserves to 10.35 million tonnes at 1.22%TREO including 0.43%Nd_2O_3+Pr_6O_{11}. This increase was based on post-Definitive Feasibility Study Pre-Feasibility Studies (PFS) incorporating recent geological, geotechnical, metallurgical and environmental work, with independent consultants Snowden Mining Industry Consultants (Snowden) completing PFS-level mining studies now including Ore Reserves derived from Measured and Indicated Mineral Resources at the Yangibana North and Yangibana deposits within joint venture ground. Note that resource tonnes in the following tables are rounded to the nearest 100,000 tonnes and rounding errors may appear.

Current JORC Probable Ore Reserves in the Yangibana Project are as shown in Table 1.

Deposit	Tonnes	%TREO	%Nd_2O_3+Pr_6O_{11}	Nd_2O_3+Pr_6O_{11} as a % of TREO
Bald Hill	4,405,000	1.02	0.41	40
Fraser's	638,000	1.61	0.68	42
Auer	728,000	1.12	0.41	37
Auer North	148,000	1.24	0.47	38
Yangibana	986,000	0.93	0.44	47
Yangibana West	1,478,000	1.23	0.34	28
Yangibana North	1,964,000	1.72	0.44	26
TOTAL	**10,345,000**	**1.22**	**0.43**	35

Table 1 – Yangibana Project, JORC Probable Ore Reserves – December 2018

DIRECTORS' REPORT (continued)

These ore reserves include those within tenements held 100% by Hastings (Table 2) and those held in joint venture with Hastings holding 70% interest (Table 3).

Deposit	Tonnes	%TREO	$\%Nd_2O_3+Pr_6O_{11}$	$Nd_2O_3+Pr_6O_{11}$ as a % of TREO
Bald Hill	4,405,000	1.02	0.41	40
Fraser's	638,000	1.61	0.68	42
Auer	728,000	1.12	0.41	37
Auer North	148,000	1.24	0.47	38
Yangibana	876,000	0.97	0.46	47
Yangibana West	1,478,000	1.23	0.34	28
TOTAL	**8,273,000**	**1.11**	**0.42**	38

Table 2 - Yangibana Project - Probable Ore Reserves Within Tenements Held 100% by Hastings, December 2018

Deposit	Tonnes	%TREO	$\%Nd_2O_3+Pr_6O_{11}$	$Nd_2O_3+Pr_6O_{11}$ as a percent of TREO
Yangibana	110,000	0.60	0.28	47
Yangibana North	1,964,000	1.72	0.44	26
TOTAL	**2,074,000**	**1.66**	**0.43**	**26**

Table 3 - Yangibana Project - Probable Ore Reserves Within Tenements Held 70% by Hastings, December 2018

The Ore Reserves occur within Measured and Indicated Mineral Resources as estimated by independent consultants Widenbar and Associates Pty Limited in October 2018 following completion of further drilling programs during the year. Total JORC Mineral Resources now stand at 21.67 million tonnes as shown in Table 4. Mineral Resources are inclusive of Ore Reserves.

Category	Tonnes	%TREO	$\%Nd_2O_3+Pr_6O_{11}$
Measured	4,727,000	1.17	0.42
Indicated	8,652,000	1.24	0.41
Inferred	8,294,000	1.09	0.36
TOTAL	**21,673,000**	**1.17**	**0.39**

Table 4 – Yangibana Project, JORC Mineral Resources – October 2018

These Mineral Resources include those within tenements held 100% by Hastings (Table 5) and those held in joint venture with Hastings holding 70% interest (Table 6).

Category	Tonnes	%TREO	$\%Nd_2O_3+Pr_6O_{11}$
Measured	3,856,000	1.06	0.42
Indicated	6,594,000	1.08	0.39
Inferred	5,705,000	1.03	0.39
TOTAL	**16,155,000**	**1.06**	**0.40**

Table 5 – Yangibana Project, October 2017 JORC Mineral Resources in tenements 100% held by Hastings

Category	Tonnes	%TREO	$\%Nd_2O_3+Pr_6O_{11}$
Measured	871,000	1.64	0.43
Indicated	2,058,000	1.76	0.46
Inferred	2,589,000	1.48	0.38
TOTAL	**5,518,000**	**1.61**	**0.42**

Table 6 – Yangibana Project, October 2017 JORC Mineral Resources in tenements 70% held by Hastings

Snowden's mining studies have defined pits and waste dumps at five geographical centres as shown in Figure 1, with the proposed processing plant located near the Bald Hill and Fraser's pits with these being the initial mining targets.

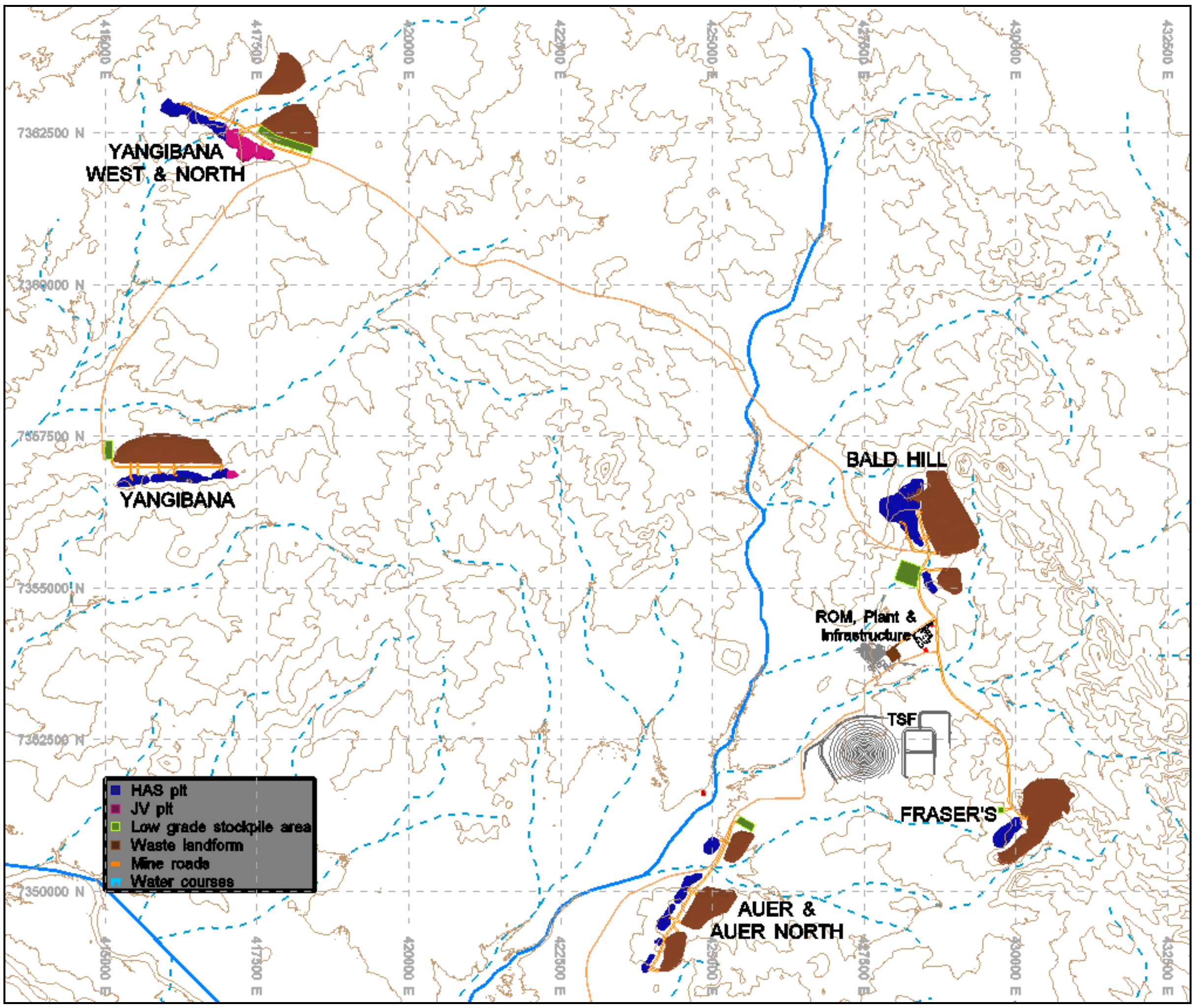

Figure 1 – Yangibana Project Layout Plan

The Company has completed extensive metallurgical Definitive Feasibility Study (DFS) test-work to define and confirm the process flowsheet for the Yangibana project, culminating in pilot plant tests on a composite ore sample of material from Bald Hill and Fraser's. This test-work has defined a process route entailing crush, grind, flotation, acid bake with water leach and precipitation of a Mixed Rare Earths Carbonate. Further metallurgical PFS test-work has established that the ore from the Yangibana West, Yangibana, Auer and Auer North deposits is compatible with this processing flowsheet.

DIRECTORS' REPORT (continued)

Approximately 1 million tonnes per annum of ore will be brought to the Run of Mine (ROM) pad where the flowsheet process begins. Early stages of the processing of the ore comprise comminution and beneficiation. The resulting beneficiated concentrate is upgraded by 20 times from the ROM ore, as demonstrated through the DFS, to a 25% TREO concentrate. This concentrate is further processed downstream through a hydrometallurgical process that involves acid bake, water leaching, impurity removal and precipitation to produce up to 15,000 tonnes per annum (tpa) of MREC at 59% TREO grade. The MREC will contain up to 3,400 tpa of neodymium oxide (Nd_2O_3) + praseodymium oxide (Pr_6O_{11}) representing 41% of contained TREO.

Additionally, early works approvals were also received for the process plant earthworks and an extension of the access road. These minor works would support ongoing investigative studies that were underway during Q3 and Q4 of 2018 and ongoing into 2019. This also positions Hastings for an immediate start on construction of the process plant upon receipt of approvals for the Project.

Cultural heritage survey efforts were expanded from that done previously and were conducted over all key infrastructure areas as well as Frasers, Bald Hill, Auer and Auer North resource areas and associated waste rock landforms within the development envelope. While several cultural heritage sites were identified over the broader area during the surveys, none were identified within planned disturbance footprints.

The key Ore Reserve parameters developed from the supplementary PFS are shown below.

Pre-Feasibility Study Parameters	**Parameter**
Status of JORC Resources used for financial evaluation	Measured and Indicated
Mining Method	Open Pits
Mining Dilution – 0.5m skin on HW and FW incorporated in resource estimation	variable
Mining Recovery	98%
Processing Route	Flotation, Acid Bake – Water Leach and MREC Precipitation
Overall Processing Recovery (TREO) – Ore to MREC	75.2%
Target Production Rate (Mixed Rare Earths Concentrate)	15,000 tpa
Target Contained Nd_2O_3+Pr_6O_{11}	3,400 tpa
Pre-Production Capital Costs (Excl funding costs)	A$335.3m
Production Capital Costs	A$13.1m
Operating Costs	A$18.5/kg TREO
Basket Value of MREC product	US$29.21/kgTREO
Exchange Rate US$:A$	0.75
Discount Rate	8%

This PFS financial evaluation evaluates the production targets based only on the combined Bald Hill, Fraser's, Yangibana, Yangibana West, Auer and Auer North deposits that were upgraded through the DFS and this PFS to a Probable Ore Reserve of 7,742 Mt (DFS Production Target).

A summary of the Mineral Resources and their utilisation as Production Target in the financial evaluation is provided below.

Deposit	**Mineral Resources (t)**				**Production Target (t)**
	Measured	Indicated	Inferred	Total	2017 DFS + 2018 PFS Production Target from Probable Ore Reserve
Bald Hill	2,700,000	2,050,000	1,340,000	6,100,000	4,385,000
Frasers	220,000	650,000	700,000	1,580,000	780,000
Auer		260,000	960,000	1,220,000	150,000
Auer North		300,000	460,000	760,000	192,000
Yangibana		1,180,000	720,000	1,900,000	838,000
Yangibana West	110,000	1,660,000	760,000	2,540,000	1,397,000
Total	3,030,000	6,100,000	4,940,000	14,100,000	7,472,000

DIRECTORS' REPORT (continued)

The PFS financial model assumes an average long-term US$/A$ exchange rate of US$0.75 and uses escalating price forecasts from 2017 to 2027 for rare earths prices from Argus Media, an independent provider of price information, market data and business intelligence for the global resource industry. Financial evaluation of the Probable Ore Reserves in the PFS results in the economic outcome shown below.

Operating Life	8 years
Net Present Value (NPV)	A$466m
Internal Rate of Return (IRR)	76%
Payback Period	2.3 years

Resource Drilling

The 2018 drilling programme was completed in the September quarter. The first phase of drilling during the period completed the collection of a large composite sample representative of the Bald Hill and Fraser's mineralisation for further metallurgical test-work. Results from Fraser's were in line with expectations with best results shown in Table 7.

Hole No FRRC	From (m)	To (m)	Interval (m)	%TREO	%Nd_2O_3+Pr_6O_{11}	Nd_2O_3+Pr_6O_{11} as a % of TREO %
132	39	43	4	1.14	0.49	43
134	29	37	8	1.51	0.59	39
135	21	26	5	1.52	0.64	42
136	23	32	9	2.38	1.01	42
137	30	36	6	1.70	0.69	41
138	10	20	10	1.08	0.49	45
144	76	83	7	1.09	0.46	42
145	65	68	3	2.04	0.78	33
150	32	36	4	1.85	0.73	44
153	94	98	4	2.80	1.15	41
165	11	20	9	3.03	1.22	40
168	30	36	6	2.87	1.16	41
169	32	36	4	1.97	0.81	41

Table 7 – Yangibana Project – Significant RC Results from Fraser's deposit 2018

DIRECTORS' REPORT (continued)

The locations of the 2018 drilling are shown in Figure 2.

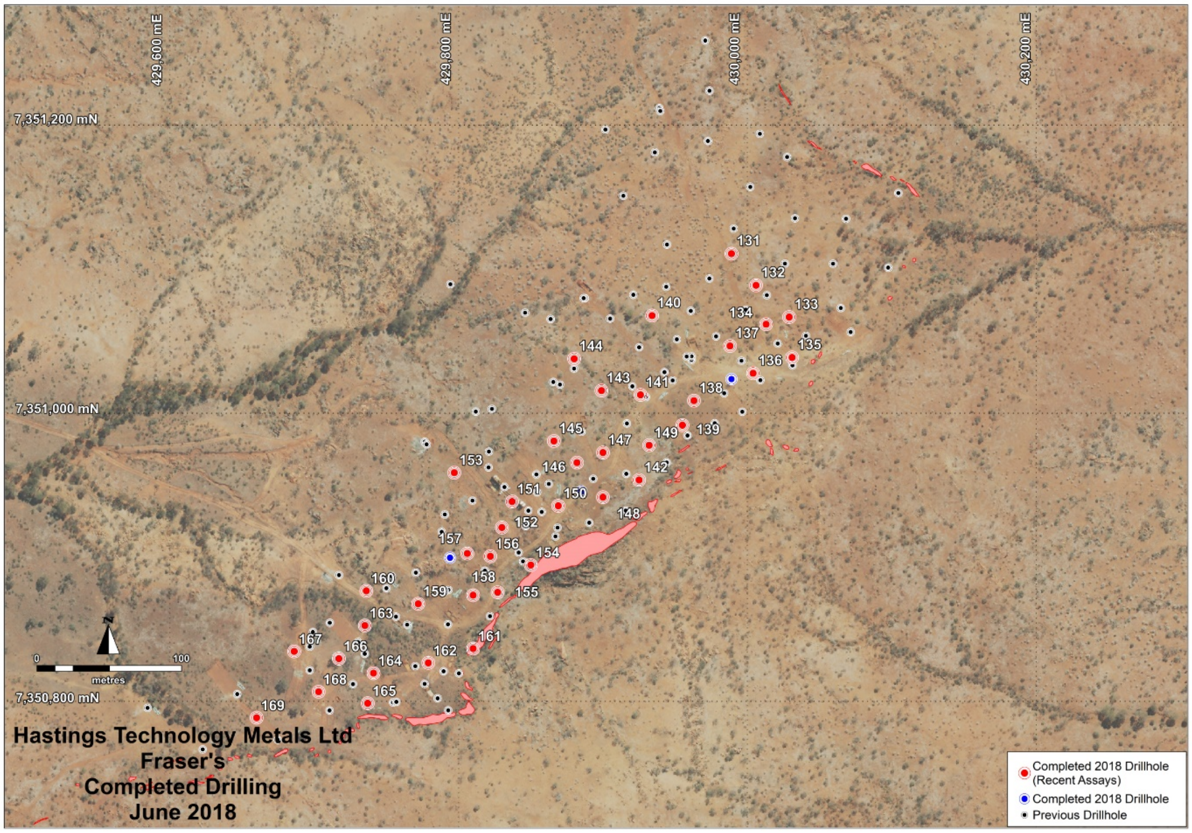

Figure 2 – Fraser's Deposit 2018 Drillholes

Subsequently drilling tested the Auer and Auer North deposits with the intention of further adding to the Measured and Indicated Resources at these deposits (Figures 3 and 4). Geotechnical, geochemical, and metallurgical test-work was completed to feed into the estimation of increased Probable Ore Reserves at these deposits.

Significant assay results from drilling at Auer and Auer North deposits are provided in Table 8.

As can be seen in Table 8, Auer Zone 4 provided particularly encouraging results with wide intersections of mineralisation encountered from an area with limited outcrop of ironstone. The zone remains open to the northeast and at depth.

DIRECTORS' REPORT (continued)

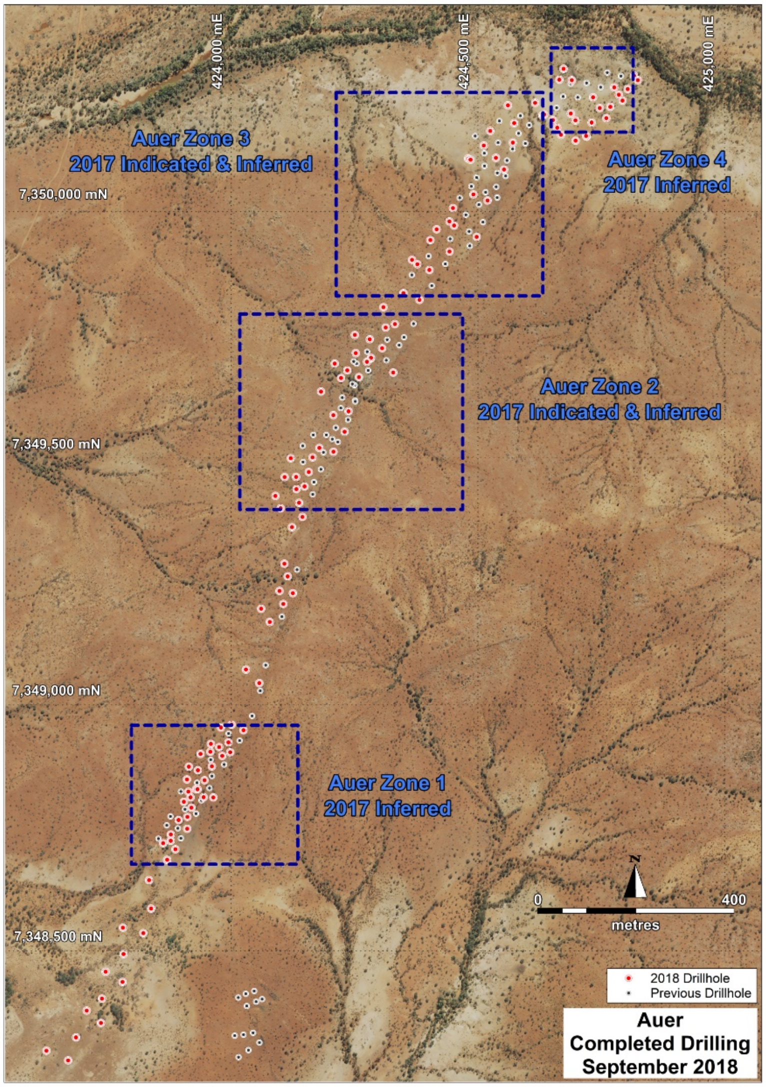

Figure 3 – Yangibana Project – Auer Drill Coverage Showing 2018 Holes

DIRECTORS' REPORT (continued)

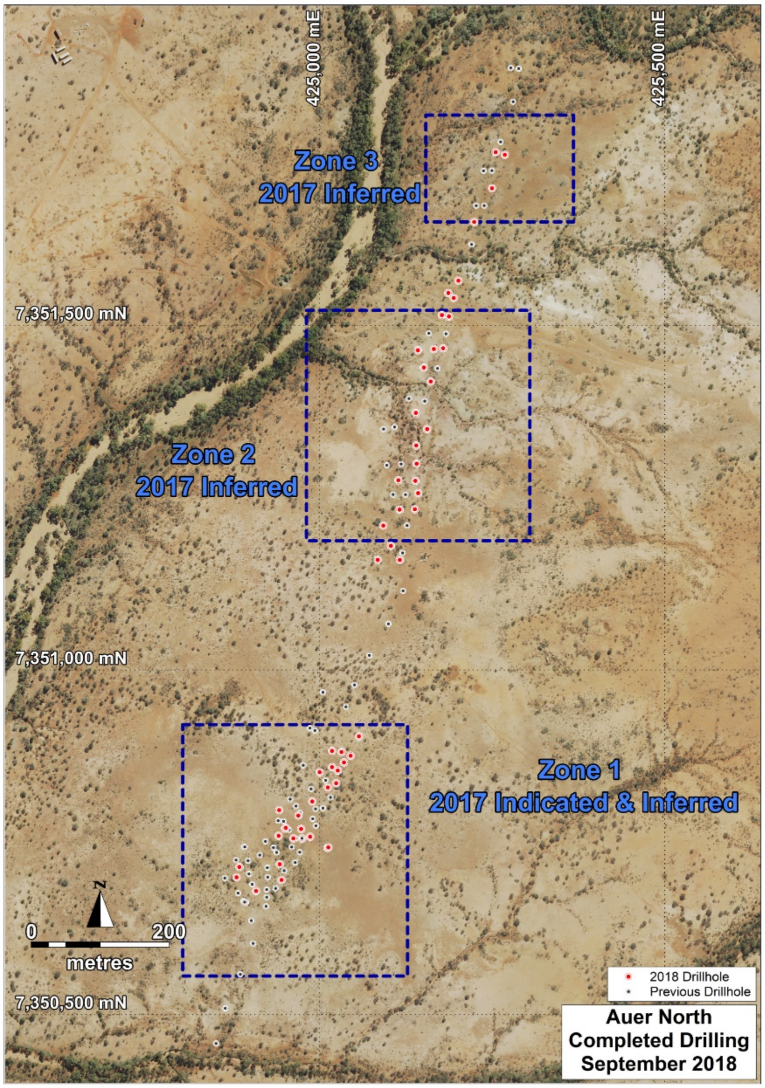

Figure 4 – Yangibana Project – Auer North Drill Coverage Showing 2018 Holes

Hole No	From (m)	To (m)	Interval (m)	%TREO	%Nd_2O_3+Pr_6O_{11}	Nd_2O_3+Pr_6O_{11} as a % of TREO %
Auer RC						
Zone 4						
93	11	28	17	1.01	0.38	38
94	78	92	14	1.59	0.49	31
96	20	36	16	1.20	0.43	36
172	10	22	12	1.44	0.55	38
174	61	69	8	1.75	0.58	33
176	40	53	13	1.60	0.49	30
180	121	128	7	2.57	0.85	33
181	85	93	8	1.98	0.60	30
183	44	51	7	1.10	0.33	30
185	95	104	9	1.25	0.47	38
186	17	25	8	2.04	0.63	31
194	119	115	5	2.02	0.84	32
Zone 3						
106	97	102	5	1.59	0.57	36
107	104	111	7	1.58	0.56	36
Zone 2						
116	73	76	3	2.16	0.82	38
120	56	72	16	1.06	0.41	38
121	98	120	22	0.96	0.39	39
Zone 1						
127	25	30	5	1.78	0.63	35
137	10	12	2	4.02	1.38	34
138	29	32	3	2.81	0.97	34
Auer DD						
Zone 2						
179	34.0	38.5	4.5	2.41	1.10	46
Zone 4						
189	21.0	32.82	11.82	1.47*	0.53*	36
Southern Ext						
202	85	94	9	1.85	0.65	35
203	46	53	7	1.51	0.49	33
208	66	72	6	1.87	0.59	31

Hole No	From (m)	To (m)	Interval (m)	%TREO	$\%Nd_2O_3+Pr_6O_{11}$	$Nd_2O_3+Pr_6O_{11}$ as a % of TREO %
Auer North RC						
Zone 1						
78	15	23	8	1.50	0.49	33
79	33	39	6	1.37	0.59	43
81	11	17	6	1.25	0.47	38
82	32	40	8	1.32	0.46	35
83	75	88	13	1.08	0.37	34
84	63	73	10	1.87	0.60	32
85	49	58	9	1.22	0.36	30
105	16	21	5	1.82	0.59	32
Zone 2						
93	53	56	3	2.24	0.72	32
102	64	68	4	1.69	0.57	34
Auer North DD						
Zone 1						
113	36.8	49.66	12.86	1.08*	0.35*	32
125	107.5	111.9	4.4	1.81	0,62	34
Zone 3						
195	9.0	15.7	6.7	1.31	0.44	34

*includes up to 20% core loss incorporated as barren

Table 8 – Yangibana Project – Auer and Auer North Significant Assay Results for 2018

Note that the mineralisation at Auer and Auer North is generally steep (70°-80°) and the intersected lengths are as much as double the true width.

Metallurgy

The Company successfully completed the second beneficiation pilot plant at ALS Metallurgy's laboratory facility in Balcatta, Western Australia.

The simple and effective flowsheet developed in the laboratory test work programme was translated into a 100kg/hr pilot processing circuit, operating 24 hours per day continuously over 8 days at ALS Metallurgy in Balcatta, Western Australia during November 2018.

The flowsheet consisted of milling, rougher flotation, regrind and cleaner flotation stages. The flotation circuit selectively concentrates the rare earths-bearing mineral monazite into a final product whilst discarding 95% of the original rock waste mass.

Flotation process design was reconfirmed, as the performance output of the pilot plant improved over the course of the 8 days. A waste-diluted feed grade to the pilot plant of 1.02% TREO, simulated real mining effects of drilling and blasting, in the process testing the robustness of the process flow sheet equipment under less than ideal conditions.

DIRECTORS' REPORT (continued)

Over 700kg of REO concentrate was produced of which 400kg of concentrate contained 8.6% Nd_2O_3+Pr_6O_{11} upgraded from 0.43% by 20 times. This concentrate will be used to validate the design of the acid concentrate mixer and selection of other critical equipment in the detailed design.

Results of 12-hour shift composites gave 80.1% TREO recovery at 19% TREO, including 7.8% Nd_2O_3+Pr_6O_{11}. Maximum concentrate grades of 25.9% TREO, including 10.6% Nd_2O_3+Pr_6O_{11} were achieved during the operation. The maiden pilot plant test achieved a maximum recovery of 70.8% at a concentrate grade of 23% TREO, including 9.8% Nd_2O_3+Pr_6O_{11}.

Key areas of the engineering design were tested during the pilot plant campaign, with lead engineers involved in the front-end engineering design phase visiting the operation. Vital data was obtained, including updated findings for slurry pulp, solid liquid separation steps and concentrate properties, all of which can be applied for engineering design optimisation.

Engineering Development

The Front-End Engineering Design (FEED) that commenced mid-2018 developed the engineering scope to a level that enables contracts to be let for the procurement of long lead equipment such as the acid bake kiln, SAG mill and others. The FEED was completed in Q4 2018 and provided further definition for the implementation of the process plant and mine construction. A revised capital (CAPEX) and operating (OPEX) estimate was also completed.

Following the completion of the FEED, the engineering team has transitioned into an early detailed engineering phase which is progressing key deliverables such as piping and instrumentation diagrams (P&IDs), progressing tendering of processing equipment and incorporating kiln vendor information into the design. In addition, key infrastructure such as the gas pipeline and power station packages are being progressed.

A 12km construction water pipeline was installed in preparation for accommodation village siteworks. The design of the early works access road and accommodation village was completed, and a contract was issued for construction of the accommodation village. On-site construction work for the accommodation village commenced after the financial year in July 2018. The progress as of 31st Dec 2018 is about 66% completed.

A Light Detection and Ranging (LiDAR) mapping and aerial imagery of the entire project site including all the resources locations was completed in Dec 2018. This provided accurate 3-D survey data for the engineering, construction and mining needs.

Environmental and Permitting

Favourable water exploration results at the Siphon Well bore field concluded the scope of works required to complete the environmental studies to the satisfaction of the EPA Services. The Environmental Review Document then underwent a 4-week public advertisement period during October. All submissions to the Environmental Protection Authority (EPA) were of technical nature from specialists in government departments and no opposition to the Project was received from the general public. Hastings considers this to be a very positive outcome. As Hastings completes its response to the technical submissions, the EPA is expected to make a favourable recommendation of the Project to the Minister in Q2, 2019.

Native Title Agreement

In November 2017 the Company signed a Native Title Agreement with the Thiin-Mah Warriyangka, Tharrkari and Jiwarli People (TMWTJ People) in respect of the Yangibana Project. A first kick off meeting was held with the Implementation Committee members in Carnarvon.

Aeromagnetic Interpretation

During the period, a detailed interpretation of the Company's aeromagnetic data was completed by independent consultants Southern Geoscience Consultants (SGC) identifying a major anomaly occurring predominantly in the southern corner of E09/2018 (Figure 5).

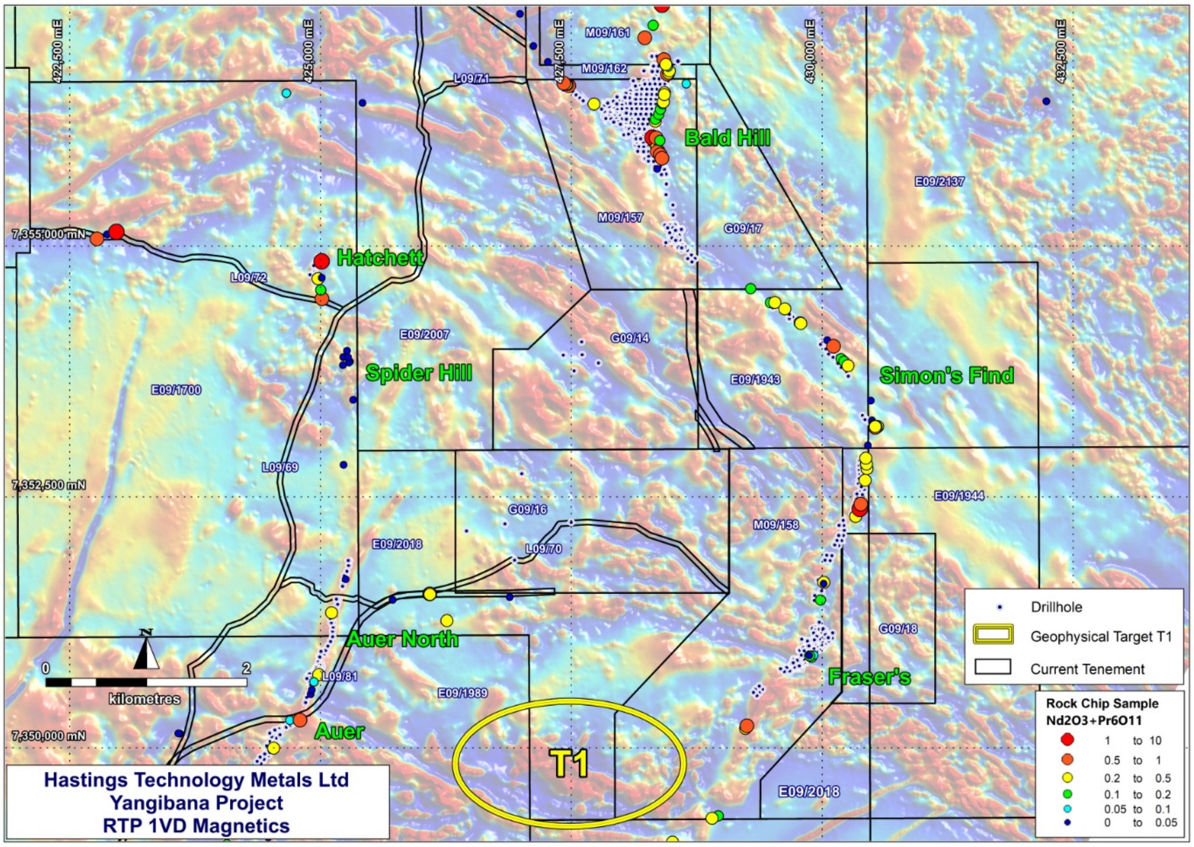

Figure 5 – Aeromagnetic data (RTP 1VD) showing target in southwest corner of E09/2018

The detailed assessment of this feature has defined an anomalous magnetic feature with a strike length of approximately 1km with a strong magnetic susceptibility. The modelled feature has a depth extent of approximately 800m extending from surface, and a width of approximately 400m. This body has a higher intensity core with a strike length of approximately 750m, a depth extent of approximately 650m (from 60m below surface), and a width of approximately 300m.

The strength of the anomaly in the Yangibana environment suggests the presence of a large magnetite-rich body, potentially similar to the magnetite-rich units that host portions of the known rare-earths deposits nearby.

SGC also undertook interpretation of the aeromagnetic data further west, identifying potential extensions of 900m to the north of the current limit of the Auer North deposit and 1,200m to the south of the current limit of the Auer deposit. Subsequent drilling (see Figure 3) has established mineralisation in this southern target (see results Table 8), successfully extending the mineralisation for a further 300m to the south where it remains open to the south and at depth.

Brockman Project

The Company continued the process of preparing documentation to support the application of a Mining Lease on the Brockman Project.

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).

DIRECTORS' REPORT (continued)

Competent Persons' Statement

The information that relates to the Ore Reserves at the Yangibana Project is based on information reviewed or work undertaken by Mr Frank Blanchfield, FAusIMM, and an employee of Snowden Mining Industry Consultants. Mr Blanchfield has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the preparation of mining studies to qualify as a Competent Person as defined by the JORC Code 2012. Mr Blanchfield consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears. The scientific and technical information that relates to process metallurgy is based on information reviewed by Ms. Narelle Marriott (Principal Engineer – Beneficiation) and Mr Zhaobing (Robin) Zhang (Process Engineering Manager) of Hastings Technology Metals Limited. Both Ms Marriott and Mr Zhang are members of AusIMM. Each has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined by the JORC Code 2012. Ms Marriott and Mr Zhang consent to the inclusion in this announcement of the matters based on their information in the form and context in which it appears.

The information that relates to Mineral Resources at the Yangibana Deposit is based on information compiled by Mr Lynn Widenbar of Widenbar and Associates Pty Ltd, and at Brockman by Mr Simon Coxhell of CoxsRocks Pty Ltd, both of whom are Members of the Australasian Institute of Mining and Metallurgy (AusIMM). Both are consultants to Hastings Technology Metals Limited and have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 and 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Widenbar and Mr Coxhell consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

The information that relates to Exploration Results is based on information compiled by Andy Border. Andy Border is an employee of the Company and is a Member of the Australian Institute of Mining and Metallurgy (AusIMM). Mr Border has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this presentation 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"). Mr Border consents to the inclusion in this report of the matters based on his information in the form and context in which it

Dividends

No dividends have been paid or declared since the start of the interim period and the directors do not recommend the payment of a dividend in respect of the interim period.

Operating results for the half year and financial review

The comprehensive loss of the consolidated entity for the interim period, after providing for income tax amounted to $2,420,746 (2017: $1,246,789).

The Group's operating income increased to $179,426 (2017: $117,297) primarily an increase in interest income given additional funds on hand during the interim period.

Expenses increased to $2,600,172 (2017: $1,364,086). Expenses have increased due to an increase in personnel and administration costs as the Company completed its Definitive Feasibility Study (DFS) and moved to put in place the infrastructure to support the development of Neodymium and Praseodymium mine in Western Australia.

Capitalised exploration increased to $50,533,671 (30 June 2018: $49,454,998) reflecting the costs associated with completing the DFS and increased drilling on the Yangibana project to increase probable reserves.

Plant and equipment increased to $23,852,482 (30 June 2018: $5,070,943) reflecting preliminary construction works on the Yangibana project site.

Net assets increased to $79,494,122 (30 June 2018: $68,495,515) reflecting capital raisings during the interim period of $13.9 million (before costs) and the result for the interim period.

DIRECTORS' REPORT (continued)

Review of financial conditions

As at 31 December 2018 the consolidated entity had $12.0 million in cash assets.

Going concern

Based on the Group's cash flow forecast the Group will require additional funding in the next 12 months to enable the Group to continue its normal business activities and to ensure the realisation of assets in the ordinary course of business and extinguishment of liabilities as and when they fall due, including progression of its exploration and project development activities.

As a result of the above, there is a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern and, therefore, that the entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors are satisfied, however that at the date of signing of the financial report, there are reasonable grounds to believe that the Group will be able to continue to meet its debts as and when they fall due and that it is appropriate for the financial statements to be prepared on a going concern basis. The directors have based this on the intention to raise capital in the short term via a new equity issue and the execution of project financing with KfW IPEX-Bank in 2019 (Note 1(b)).

Significant changes in the state of affairs

The following summary of events were significant milestones in the state of affairs of the Group during the year:

- Signing of an Off-Take Contract for the supply of mixed rare earths carbonate with Sky Rock Rare Earth New Materials Co Ltd;
- Increase in Yangibana JORC 2012 resources to 21 million tonnes;
- Signing of the Design and Supply Contract for the Acid Bake Kiln with FLSmidth Pty Ltd;
- EPA releases environmental review for public consultation
- Raising $13.97 million (before costs) through the issue of 66,563,008 shares at 21 cents each;
- Major aeromagnetic target identified at Yangibana; and
- Signing of a Project Finance Mandate with KfW IPEX-Bank.

Significant events after balance sheet date

The following summary of events were significant milestones subsequent to the reporting date:

- Increase in JORC 2012 probable ore reserves of 34% to 10.35 million tonnes extending mine life by 3 years, supporting a +10 year operational life for the Project; and
- Second pilot plant study improves beneficiation recovery performance by 12% to 80%.

Other than as outlined above there are no matters or circumstances that have arisen since the end of the financial period that have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or state of affairs of the consolidated entity in future financial years.

Auditor's Independence and Non-Audit Services

Section 307C of the Corporations Act 2001 requires our auditors, PricewaterhouseCoopers, to provide the directors of the Company with an Independence Declaration. This Independence Declaration is set out on page 17 and forms part of this directors' report for the period ended 31 December 2018.

DIRECTORS' REPORT (continued)

Non-Audit Services

No non-audit services were provided by the Company's auditor during the year.

Signed in accordance with a resolution of the directors.

Charles Lew
Executive Chairman
14 March 2019

Auditor's Independence Declaration

As lead auditor for the review of Hastings Technology Metals Limited for the half-year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Hastings Technology Metals Limited and the entities it controlled during the period.

Ben Gargett
Partner
PricewaterhouseCoopers

Perth
14 March 2019

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER

	Notes	Consolidated 2018 $	Consolidated 2017 $
Continuing operations			
Revenue	2	179,426	117,297
Administration expenses		(253,043)	(186,597)
Depreciation		(40,397)	(26,951)
Directors fees		(365,317)	(301,375)
Occupancy expenses		(130,793)	(81,020)
Employee benefits expense	3	(835,134)	(367,564)
Legal fees		(334,396)	(41,409)
Consulting and professional fees		(405,075)	(52,541)
Travel expenses		(143,654)	(204,813)
Share based payments		(92,363)	(101,816)
Loss before income tax expense		(2,420,746)	(1,246,789)
Income tax benefit		-	-
Net loss for the period		(2,420,746)	(1,246,789)
Other comprehensive income		-	-
Total comprehensive loss for the period		**(2,420,746)**	**(1,246,789)**
Basic and diluted loss per share (cents per share)		(0.31)	(0.19)

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Notes	Consolidated 31 DECEMBER 2018 $	30 JUNE 2018 $
Assets			
Current assets			
Cash and cash equivalents		12,041,866	20,694,184
Trade and other receivables		1,308,469	643,738
Total current assets		13,350,335	21,337,922
Non-current assets			
Plant and equipment	5	23,852,482	5,070,943
Deferred exploration expenditure	6	50,533,671	49,454,998
Total non-current assets		74,386,153	54,525,941
Total assets		87,736,488	75,863,863
Liabilities			
Current liabilities			
Trade and other payables		8,124,352	7,246,942
Provisions	7	94,503	74,332
Total current liabilities		8,218,855	7,321,274
Non-current liabilities			
Employee benefit obligations	7	23,511	47,074
Total non-current liabilities		23,511	47,074
Total Liabilities		8,242,366	7,368,348
Net Assets		**79,494,122**	**68,495,515**
Equity			
Issued capital	8	94,558,608	81,231,618
Reserves	8	491,596	411,424
Accumulated losses		(15,556,082)	(13,147,527)
Total Equity		**79,494,122**	**68,495,515**

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

Consolidated	Issued Capital $	Accumulated Losses $	Share Based Payment Reserve $	Total $
Balance at 1 July 2018	81,231,618	(13,147,527)	411,424	68,495,515
Loss for the year	-	(2,420,746)	-	(2,420,746)
Total comprehensive loss for the year				
Shares issued during the year	13,978,232	-	-	13,978,232
Transaction costs on share issue	(651,242)	-	-	(651,242)
Share based payments	-	-	92,363	92,363
Transfer from share based payments	-	12,191	(12,191)	-
Balance at 31 December 2018	94,558,608	(15,556,082)	491,596	79,494,122
Balance at 1 July 2017	48,811,141	(10,293,649)	190,449	38,707,941
Loss for the year	-	(1,246,789)	-	(1,246,789)
Total comprehensive loss for the year	-	(1,246,789)	-	(1,246,789)
Shares issued during the year	21,535,000	-	-	21,535,000
Transaction costs on share issue	(851,713)	-	-	(851,713)
Share based payments	-	-	101,816	101,816
Transfer from share based payments	-	-	-	-
Balance at 31 December 2017[1]	69,494,428	(11,540,438)	292,265	58,246,255

The accompanying notes form part of these financial statements

[1]The prior year accounts have been restated as outlined in Note 1 to the Annual Report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER

	Note	Consolidated 2018 $	2017 $
Cash flows from operating activities			
Payments to suppliers and employees		(2,478,371)	(960,792)
Interest received		204,558	38,186
Net cash used in operating activities		(2,273,813)	(922,606)
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		(2,299,662)	(8,968,428)
Payments for investments in term deposits		-	(14,000,000)
Payments for plant and equipment		(17,749,196)	(108,999)
Research and development tax offset in relation to exploration assets		343,361	-
Net cash used in investing activities		(19,705,497)	(23,077,427)
Cash flows from financing activities			
Proceeds from issue of shares		13,978,232	20,205,000
Payments for share issue costs		(651,242)	(271,713)
Net cash provided by financing activities		13,326,990	19,933,287
Net decrease in cash held		(8,652,319)	(4,066,746)
Cash and cash equivalents at the beginning of the period		20,694,185	4,295,506
Cash and cash equivalents at the end of the period		12,041,865	228,760

The accompanying notes form part of these financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

This interim condensed consolidated financial statements for the half year ended 31 December 2018 have been prepared in accordance with AASB 134 *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 30 June 2018.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2018, with the exception of the adoption of new and amended standards as set out in Note 1(d).

(b) Going Concern

The Group incurred a net loss for the half year ended 31 December 2018 of $2,420,746 (31 December 2017: $1,246,789) and a net cash outflow from operating activities of $2,273,813 (2017: $922,606). As at 31 December 2018, the Group had cash and cash equivalents of $12,041,865 (30 June 2018: $20,694,184).

Based on the Group's cash flow forecast the Group will require additional funding in the next 12 months to enable the Group to continue its normal business activities and to ensure the realisation of assets in the ordinary course of business and extinguishment of liabilities as and when they fall due, including progression of its exploration and project development activities.

As a result of the above, there is a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern and, therefore, that the entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors are satisfied, however that at the date of signing of the financial report, there are reasonable grounds to believe that the Group will be able to continue to meet its debts as and when they fall due and that it is appropriate for the financial statements to be prepared on a going concern basis. The directors have based this on the following pertinent matters:

• The Group has mandated a Melbourne based broker to raise capital in the short term via a new equity issue;

• The directors believe the Project Finance Mandate with KfW IPEX-Bank, signed in July 2018, will convert into an executed loan in 2019. KfW IPEX-Bank are engaged to provide project finance loan advisory services in relation to securing approval from Euler Hermes Aktiengesellschaft as mandated by the German Federal Government as administrators of the Untied Loan Guarantee Scheme.

The financial report does not include adjustments relating to the recoverability or classification of the recorded assets nor to the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(c) Statement of Compliance

The interim condensed consolidated financial report was authorised for issue by the Board on 14 March 2019. The Board has the power to amend the financial statements after their issue.

The interim condensed consolidated financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the interim condensed consolidated financial report, comprising the condensed consolidated financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(d) Adoption of new and revised standards

In the half year ended 31 December 2018, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for annual reporting periods beginning on or after 1 July 2018. There were two new significant accounting standards or amendments adopted by the Company for the period commencing 1 July 2018.

AASB 9 Financial Instruments

AASB 9 replaces the provisions of AASB 139 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of AASB 9 *Financial Instruments* from 1 July 2018 does not have an impact on the Company's accounting for financial assets and liabilities during the period.

AASB 15 Revenue from Contracts with Customers

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer, so the notion of control replaces the existing notion of risks and rewards. The adoption of AASB 15 *Revenue from Contracts with Customers* from 1 July 2018 does not have an impact on the Company's accounting for revenue.

NOTE 2: REVENUE

	Consolidated Half Year 2018 $	2017 $
Revenue		
Interest income	179,426	117,297
	179,426	117,297

NOTE 3: EMPLOYEE BENEFITS EXPENSE

	Consolidated Half Year 2018 $	2017 $
Employee benefits expense		
Wages and salaries	2,268,935	966,814
Superannuation	183,350	87,279
Payroll tax	120,357	24,769
Provision for annual and long service leave	(3,391)	34,749
Other employee expenses	303,281	15,368
Geologist and technical costs capitalized	(2,037,398)	(761,415)
	835,134	367,564

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2018

NOTE 4: SEGMENT REPORTING

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board in assessing performance and in determining the allocation of resources.

The operating segments are identified by the Board based on the nature of its interests and projects. Discrete financial information about each of these projects is reported to the executive management team on at least a monthly basis.

Location of interests and nature of projects

Yangibana Project

Hastings has the Yangibana rare earths project in the Gascoyne region of Western Australia through the 100% ownership of twelve (12) exploration licenses, two (2) prospecting licenses, and six (6) mining leases and through a joint venture comprising nine (9) granted exploration licences and three (3) mining lease, in all covering an area of approximately 650 square kilometres

Brockman Project

Hastings is the owner of the Brockman heavy rare earths project, comprising of ten (10) prospecting licenses, one (1) mining lease, and one (1) exploration licence, in the East Kimberley region of Western Australia. The project hosts significant JORC compliant resources of the rare metals zircon, niobium and tantalum, and the heavy rare earth yttrium.

Accounting policies and inter-segment transactions

The accounting policies used by the Group in reporting segments internally are the same as those contained in Note 1 to the accounts and in the prior period.

Project segments	**Brockman Project $**	**Yangibana Project $**	**Unallocated $**	**Total $**
31 December 2018				
Revenue				
Interest and other income	-	-	179,426	179,426
Total segment revenue	-	-	179,426	179,426
Expenses				
Administration	-	-	(2,600,172)	(2,600,172)
Total segment expenses	-	-	(2,600,172)	(2,600,172)
Income tax benefit	-	-	-	-
Segment result	-	-	(2,420,746)	(2,420,746)

Interest income of $179,426 was solely derived within Australia, and non-current assets are all located in Australia.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2018

NOTE 4: SEGMENT REPORTING (continued)

Project segments	Brockman Project $	Yangibana Project $	Unallocated $	Total $
Cash flows from operating activities	-	-	(2,273,813)	(2,273,813)
Cash flows from investing activities	(9,892)	(19,341,527)	(354,078)	(19,705,497)
Cash flows from financing activities	-	-	13,326,990	13,326,990
Segment assets	15,181,383	59,677,141	12,877,964	87,736,488
Segment liabilities	-	8,124,352	118,014	8,242,366
Acquisition of exploration assets	9,638	1,412,397	-	1,422,035
Acquisition of property, plant and equipment	-	18,465,471	356,465	18,821,936

Project segments	Brockman Project $	Yangibana Project $	Unallocated $	Total $
31 December 2017				
Revenue				
Interest and other income	-	-	117,297	117,297
Total segment revenue	-	-	117,297	117,297
Expenses				
Administration	-	-	(1,364,086)	(1,364,086)
Total segment expenses	-	-	(1,364,086)	(1,364,086)
Income tax benefit	-	-	-	-
Segment result	-	-	(1,246,789)	(1,246,789)

Interest income of $117,297 was derived within Australia, and non-current assets are all located in Australia.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2018

NOTE 4: SEGMENT REPORTING (continued)

Project segments	Brockman Project $	Yangibana Project $	Unallocated $	Total $
Cash flows from operating activities	-	-	(922,606)	(922,606)
Cash flows from investing activities	-	(8,968,428)	(14,000,000)	(22,968,428)
Cash flows from financing activities	-	-	19,933,287	19,933,287
Segment assets	15,142,911	33,597,751	14,848,828	63,589,490
Segment liabilities	-	-	2,035,382	2,035,382
Acquisition of exploration assets	-	8,968,428	-	8,968,428
Acquisition of property, plant and equipment	-	-	108,999	108,999

NOTE 5: PLANT AND EQUIPMENT

	Plant and Equipment	Software	Plant Construction in Progress	Total
As at 30 June 2018				
Cost or fair value	203,820	223,050	4,692,445	5,119,315
Accumulated depreciation	(46,222)	(2,150)	-	(48,372)
Net book amount	157,598	220,900	4,692,445	5,070,943
Half year ended 31 December 2018				
Opening net book amount	157,598	220,900	4,692,445	5,070,943
Additions	200,903	155,562	18,465,471	18,821,936
Depreciation	(38,621)	(1,776)	-	(40,397)
Closing net book amount	319,880	374,686	23,157,916	23,852,482
As at 31 December 2018				
Cost or fair value	399,232	376,864	23,157,916	23,941,973
Accumulated depreciation	(85,102)	(2,178)	-	(89,491)
Net book amount	319,880	374,688	23,157,916	23,852,482

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2018

NOTE 6: DEFERRED EXPLORATION EXPENDITURE

	Half Year Ended 31 December 2018 $	Year Ended 30 June 2018 $
Costs carried forward in respect of areas of interest in the following phases:		
Exploration and evaluation phase – at cost		
Balance at beginning of year	49,454,998	37,287,382
Exploration expenditure	1,422,035	13,831,025
Less research and development tax offset	(343,361)	(1,663,409)
Total deferred exploration and evaluation expenditure	**50,533,671**	**49,454,998**

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

NOTE 7: ISSUED CAPITAL

	Half Year Ended 31 December 2018 $	Year Ended 30 June 2018 $
Ordinary shares		
Balance at beginning of period	81,231,618	48,811,141
Shares issued – share purchase plan	-	4,390,000
Shares issued – placement	13,978,232	16,945,000
Shares issued – rights issue	-	12,239,190
Shares issued in lieu of supplier payment	-	200,000
Shares issued on vesting of performance rights	-	98,000
Less share issue costs	(651,242)	(1,451,713)
At end of period	**94,558,608**	**81,231,618**

Movements in ordinary shares on issue	Half Year Ended 31 December 2018 No.	Year Ended 30 June 2018 No.
At beginning of period	711,512,675	532,159,904
Shares issued in lieu of supplier payment	-	1,000,000
Shares issued on vesting of performance rights	-	850,000
Shares issued – share purchase plan	-	51,046,512
Shares issued – share placement	66,563,008	86,975,000
Shares issued – rights issue	-	39,481,259
Balance at end of period	**778,075,683**	**711,512,675**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

NOTE 7: ISSUED CAPITAL (continued)

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up the company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Performance Rights

Share based payments reserve

Movements in share based payments reserve were as follows:	Half Year Ended 31 December 2018 $	Year Ended 30 June 2018 $
Balance at beginning of period	411,424	190,449
Performance rights vested – transferred to issued capital	-	(98,000)
Performance rights lapsed – transferred to accumulated losses	(12,191)	(37,400)
Value of performance rights issued during the year	92,363	356,375
Balance at end of period	491,596	411,424

The share based payments reserve is used to record the value of equity benefits provided to employees and directors as part of remuneration.

	Half Year Ended 31 December 2018 No.	Year Ended 30 June 2018 No.
Movements in performance rights		
Balance at beginning of period	15,458,333	17,600,000
Performance rights issued during the year	-	1,500,000
Performance rights vested during the year	-	(850,000)
Performance rights lapsed during the period	(1,483,333)	(2,791,667)
Balance at end of period	13,975,000	15,458,333

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2018

NOTE 7: ISSUED CAPITAL (continued)

Valuation of performance rights

i. Shareholders at the 2016 Annual General Meeting approved the grant of 15,000,000 performance rights to Directors. The performance rights, which are subject to a three-year performance period, were valued based on the share price on grant date discounted for lack of marketability as follows: Tranche A: 3,750,000 at $0.026, Tranche B: 3,750,000 at $0.018, Tranche C: 7,500,000 at $0.0125.

Of these performance rights 1,666,667 rights lapsed and 833,333 shares were granted on the resignation of a director in prior periods. Vesting occurs at the end of the performance period ended 28 November 2019, if the following performance conditions are met:

Non-market based performance conditions:

- regulatory approval of Mining Proposal Plan with Mine Closure;
- achieving additional financing of debt and equity totalling $100 million; and
- award of the construction contract for the beneficiation plant.

Market-based performance conditions:

- 25% of the performance rights will vest when market capitalisation exceeds $75 million; and
- 50% of the performance rights will vest when market capitalisation exceeds $125 million; and
- 100% of the performance rights will vest when market capitalisation exceeds $175 million.

An expense of $30,833 was recognised for the half year ended 31 December 2018 (31 December 2017: $81,466) in relation to these performance rights.

ii. The movement in employee performance rights during the year is as follows:

Date granted	Number issued	Value per share	Performance period ended	Vested	Lapsed	Balance 31 December 2018
14 June 2016	750,000	7.2 cents	30 June 2018	(190,000)	(335,000)	225,000
29 June 2017	1,850,000	8.8 cents	20 June 2018	(660,000)	(940,000)	250,000
26 June 2018	1,000,000	22.5 cents	31 August 2019	-	-	1,000,000
26 June 2018	500,000	22.5 cents	31 December 2019	-	(500,000)	-
	4,100,000			(850,000)	(1,775,000)	1,475,000

Non-market based performance conditions comprise key objectives specific to each employee. The probability of employees achieving performance rights has a range of between 66% and 80%.

An expense of $61,530 (2017: $20,350) was recognised during half year ended 31 December 2018 in relation to these performance rights.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

NOTE 8: DIVIDENDS

The directors of the Group have not declared any dividend for the half year ended 31 December 2018 (31 December 2017: Nil).

NOTE 9: CONTINGENT LIABILITIES

There are no contingent liabilities at year end.

NOTE 10: EVENTS SUBSEQUENT TO REPORTING DATE

The following summary of events were significant milestones subsequent to the reporting date:

- Increase in JORC 2012 probable ore reserves of 34% to 10.35 million tonnes extending mine life by 3 years, supporting a +10 year operational life for the Project; and
- Second pilot plant study improves beneficiation recovery performance by 12% to 80%.

Other than as outlined above there are no matters or circumstances that have arisen since the end of the financial period that have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or state of affairs of the consolidated entity in future financial years.

NOTE 11: RELATED PARTY DISCLOSURES

	Half Year Ended 31 December 2018 $	Half Year Ended 31 December 2017 $
Office rental and administration expenses[1]	43,968	46,584

[1]Office rental and administration expenses were paid to Equator Capital Pte Ltd, a company associated with the Chairman, Charles Lew. These fees are commensurate with those charged on an arm's length basis.

NOTE 12: INTEREST IN JOINT OPERATION

The Group has a 70% interest in the Yangibana-REM joint venture (31 December 2017: 70%), which is involved in exploration, development and exploitation of rare metal resources in the Gascoyne region of Western Australia. The Group is the manager of and is sole funding the joint venture up until a decision to commission a Bankable Feasibility Study.

There were no impairment losses in the jointly controlled operation.

DIRECTORS' DECLARATION

1. In the opinion of the directors of Hastings Technology Metals Ltd ('the Company or the Group''):

   a. The financial statements and notes thereto, as set out on pages 18 to 30, are in accordance with the Corporations Act 2001 including:

      i. giving a true and fair view of the Group's financial position as at 31 December 2018 and of the performance of the Group for the year then ended; and

      ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.

   b. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

Charles Lew

Executive Chairman

14 March 2019

Independent auditor's review report to the members of Hastings Technology Metals Ltd

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Hastings Technology Metals Limited (the Company), which comprises the condensed consolidated statement of financial position as at 31 December 2018, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, selected other explanatory notes and the directors' declaration for the Hastings Technology Metals Limited Group (the Group). The Group comprises the Company and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Hastings Technology Metals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Hastings Technology Metals Limited is not in accordance with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the half-year ended on that date;

2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material uncertainty related to going concern

We draw attention to Note 1(b) in the financial report, which indicates that the Group incurred a net loss of $2,420,746 for the half-year ended 31 December 2018 and a net cash outflow from operating activities of $2,273,813. As a result, the Group is dependent on raising additional funding in the next 12 months to enable it to continue its normal business activities, including progression of its exploration and project development activities. These conditions, along with other matters set forth in Note 1(b), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

PricewaterhouseCoopers

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Ben Gargett
Partner

Perth
14 March 2019