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中國稀土控股有限公司

**China Rare Earth Holdings Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 769)**

## **VOLUNTARY ANNOUNCEMENT MEMORANDUM OF UNDERSTANDING**

The Board is pleased to announce that on 31 August 2017, the Company entered into the MOU with Hastings, pursuant to which the parties have undertaken to negotiate in good faith to reach a binding agreement for the sale of 2,000 tonnes of Mixed Rare Earth Carbonate per annum by Hastings to the Group.

This is a voluntary announcement made by China Rare Earth Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”).

The board (the “**Board**”) of directors (“**Directors**”) of the Company is pleased to announce that on 31 August 2017, the Company entered into a memorandum of understanding (the “**MOU**”) with Hastings Technology Metals Limited (“**Hastings**”), a company listed on the Australian Securities Exchange Limited (ASX Code: HAS). Pursuant to the MOU, the parties have undertaken to negotiate in good faith to reach a binding agreement for the sale of 2,000 tonnes of Mixed Rare Earth Carbonate per annum by Hastings to the Group. Set out below are the principal terms of the MOU.

### **THE MOU**

**Date:** 31 August 2017

**Parties:** (1) the Company; and  
(2) Hastings.

To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, Hastings and its respective associates are independent third parties of the Company and its connected persons.

### **Principal terms**

The parties have undertaken to negotiate in good faith to reach a binding agreement within 12 months from the date of the MOU, for the sale of 2,000 tonnes of Mixed Rare Earth Carbonate per annum by Hastings to the Group for a period of three years with an option to renew for two years.

The Mixed Rare Earth Carbonate will be produced from Yangibana, Western Australia. The parties shall appoint an independent surveyor to inspect the Mixed Rare Earth Carbonate at the mine site to determine the compositions of the materials and the price of the product.

### **Non legally-binding effect**

The MOU does not constitute a commitment or binding obligation on the parties (save as the terms in relation to confidentiality, assignability and governing law). The proposed transaction under the MOU will be subject to execution and completion of a binding agreement.

### **REASONS FOR AND BENEFITS OF THE PROPOSED TRANSACTION**

The Board considers that the proposed purchase of Mixed Rare Earth Carbonate from Hastings will open more raw materials supply channels in overseas and secure the supply of raw materials to the Group.

### **GENERAL**

**As the MOU may or may not lead to the entering into any binding agreement(s), the abovementioned proposed transaction may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

On behalf of the Board  
**China Rare Earth Holdings Limited**  
**Qian Yuanying**  
*Executive Director*

Hong Kong, 6 September 2017

*As at the date of this announcement, the board of directors of the Company consists of Mr. Jiang Quanlong, Ms. Qian Yuanying and Mr. Jiang Cainan as executive Directors and Mr. Huang Chunhua, Mr. Jin Zhong and Mr. Wang Guozhen as independent non-executive Directors.*