

Strategic Update – Letter from the Chairman

Dear Shareholders

I am pleased to be in a position to write this letter to all shareholders of Hazelwood Resources Limited ("Hazelwood" or "the Company") as your new Executive Chairman.

As you may be aware, I joined the Board on 8 September 2014 and since then have been undertaking a strategic review of Hazelwood with assistance from Company management and our corporate advisers.

On the basis of the strategic review Hazelwood will be initiating a four-part change management plan to drive the Company to profitability and provide a pipeline of further growth opportunities. A summary of the four-part change management plan is outlined below:

- **Part One - Improve Operational Efficiency and Profitability**

Part one of the plan is to improve the operational efficiency and profitability of the 60% owned ATC operations in Vietnam. In the first 18 months of operation, the ferrotungsten operation in Vinh Bao has proven that we can consistently produce high quality ferrotungsten from a range of variable quality feedstock. The technical ramp up and performance has exceeded expectations in this regard. Our focus now turns to improving profitability through lower cost operations and improved operating flexibility for changing market conditions;

- **Part Two – Investigate the Addition of Complimentary Business Unit Opportunities**

Hazelwood will immediately investigate additional add-on business unit opportunities around our Vietnamese manufacturing base with our joint venture partner. These opportunities may see us expand our offering of complimentary tungsten products to our client base and cement our position as a significant global manufacturer in the international tungsten industry. Based on preliminary investigations, the Company and its joint venture partner see potential to significantly improve profitability and diversify its revenue stream through synergies offered by some of these business opportunities;

- **Part Three – Accelerate Study of Australian Upstream Project**

The Company will accelerate the study of our upstream Australian tungsten projects at Mt Mulgine and Big Hill to a decision point on their development. With further resource upgrades expected soon from the Mt Mulgine Project we expect this large scale project to provide the best opportunity to be developed as a low cost tungsten mine and concentrator due to the tungsten resource being close to surface with increasing grade at depth, in addition to being in a location that has good proximity to services. Tight control of budget and timeline for study of these resources is essential and we will be exploring some different delivery models including seeking interest from other parties to participate in the study and subsequent development. Some discussions in this regard have commenced; and

- **Part Four – Further Strengthen the Management Team**

We seek to establish a small and dynamic corporate team with the experience and qualifications to drive operational improvement and evaluate the range of value adding opportunities the Company plans to pursue.

There are both challenging and exciting times ahead for our Company. I will be now taking a more active role in the management and strategic direction of Hazelwood and working with our team to drive the best outcomes for the Company and its shareholders.

On the basis of my understanding and review of the business and the broader market, I firmly believe that Hazelwood owns a globally significant tungsten resource base and has developed a unique ferrotungsten refining facility in Vietnam with our joint venture partner George Chen, an industry leader in his own right. We have become a global presence in the specialty metals business distributing quality product to steelmakers and specialty alloy producers world-wide.

I look forward to developing a higher level of engagement with all stakeholders integral to our business and with you, our shareholders. I invite you all to attend our **AGM at 11:00am on 26 November 2014 at 33 Ord Street, West Perth**, and I would be very pleased to meet you and provide an insight into the future direction and prospects of your Company.

Yours sincerely



Mark Warren
Executive Chairman

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ABOUT HAZELWOOD

Hazelwood Resources Ltd is a specialty metals producer with a majority stake in the ATC Ferrotungsten Project in Vietnam. Ferrotungsten is used in the production of high speed steels, tool steel and temperature resistant alloys.

The ATC Ferrotungsten plant is the largest capacity facility of its type outside of China with a maximum production capacity in excess of 4,000 tonnes per annum and its design is believed to be the most advanced in the world. High quality product from ATC is distributed globally via specialty metals trader Wogen Resources.

With an established specialty metals production base, Hazelwood has the ability to expand into other capital-efficient opportunities in downstream processing.

There is potential for future vertical integration with Hazelwood's 100% owned primary tungsten projects in Western Australia, which are being evaluated as potential future sources of feedstock for Hazelwood's downstream refining business.

Hazelwood has significant exposure to nickel sulphides and base metals exploration through its 100% owned Cookes Creek and Copper Gorge (HAZ 70% Atlas Iron 30%) areas in the East Pilbara of Western Australia.

