MULGINE TRENCH RESOURCE UPDATE INFORMATION

In accordance with ASX listing rule 5.8.1, the directors of Hazelwood Resources (ASX: HAZ) "The Company" wish to emphasise the following information that is contained within Appendix 1 of the 5th November 2014 announcement with no material change.

At Mt Mulgine, recent drilling has extended the Mulgine Trench Deposit Mineral Resource approximately 320m along strike to the northeast. The Mulgine Trench Resource extends from the surface and grade increases at depth. The revised Indicated and Inferred Resource numbers are 63.8 million tonnes @ 0.17% WO_3 (at 0.1% cut-off grade), representing a 9% increase on the previous Mulgine Trench Resource. This upgrade adds to Hazelwood's already significant tungsten Resource inventory.

Geology and geological interpretation

Mulgine Trench is a tungsten-molybdenum vein-hosted exo-skarn, formed near the intrusive contact of an Archaean S-type granite intrusive into a sequence of metavolcanics, metasediments and banded-iron formations, metamorphosed to amphibolite facies. Tungsten mineralisation is concentrated exclusively on the margins of quartz veins, or close to xenoliths of mafic material within thicker veins. At Mulgine Trench tungsten is found in all rock types except for the meta-pyroxenite and tremolite/actinolite rock. The stratigraphy and most of the veins hosting tungsten mineralisation dip moderately to the northwest.

Drilling, sampling and sub-sampling techniques

The update of the Mulgine Trench Resource is a result of gold exploration drilling by Minjar Gold. Minjar hold the gold rights whilst Hazelwood hold the tungsten and molybdenum rights. New drilling data used in the Mulgine Trench updated Resource, comprises (1) exploration RC drilling by Minjar Gold the BDRC series holes drilled on about 100m x 100m spacing, and (2) close-spaced RC grade-control drilling, the BMGC holes drilled on a 7m x 10m spacing. Minjar drilled the new holes by Reverse Circulation (RC) with face sampling hammer and on-rig splitter.

On behalf of Hazelwood, SJS Resource Management geologically logged and sampled the BDRC (Trench Extended) holes by spearing the RC sample left as piles on the ground. These holes were sampled at 1m intervals, with Hazelwood noting all mineralised samples were dry when collected. Field quality control procedures for the BDRC holes involved inserting a certified reference material every twenty samples. Full quality control procedures can be found in Appendix 1, Section 1 of the announcement dated 5th November 2014.

For the BMGC drilling, Minjar Gold supplied Hazelwood with the pulps from the RC grade-control drilling (Bobby McGee within Trench Extended). Hazelwood were not able to log the grade-control holes geologically. The original samples were 1m intervals and split at the rig prior to being dispatched to ALS, Perth for gold analysis. Sample condition information supplied by Minjar indicates the original samples were dry when collected. Field quality control procedures for these samples involved a detailed review of laboratory-supplied certified reference material, repeats and blanks. Full quality control procedures can be found in Appendix 1, Section 1 of the announcement dated 5th November 2014.

Sample analysis method

Hazelwood chose to use Nagrom, Perth for sample preparation and analysis of the BDRC samples. Preparation included sorting, crushing, splitting and finally pulverizing the samples to p80 75µm. Hazelwood chose for the samples to be assayed using XRF fusion (analysis codes XRF008 and TGA002).

For the BMGC pulps Hazelwood used ALS Perth who had earlier assay the same material for gold. ALS re-sorted the pulps and analysed for tungsten using the ICP-AES method. One hundred selected check samples were also analysed by XRF-fusion at Nagrom with excellent correspondence of assay value.

Classification of Mineral Resource

The Inferred component of the Mulgine Trench Resource is based on the evidence from the available drill sampling (hole spacing approximately 100x100m) and surface mapping. This evidence is sufficient to imply but not verify geological and grade continuity.

The small Indicated component of the Mulgine Trench Resource is within the Bobby McGee operations, the area of close-spaced drilling (10m x 7m hole spacing) with robust continuation of the mineralised zones. A Measured Category was not given due the absence of detailed down-hole geology and in-situ specific gravity data for the oxidation zone. The specific gravity values used match those used by Minjar Gold for their gold ores at Bobby McGee and established for surface oxide material in the Mt Mulgine area.

Estimation methodology

Grade estimation of Mulgine Trench was by Ordinary Kriging (OK) using Micromine 2013 software. The interpretation was extended perpendicular to the corresponding first and last interpreted cross-section to the distance equal to a half distance between the adjacent exploration lines which is approximately 40m. If a mineralised envelope did not extend to the adjacent drill-hole section, it was projected half way to the next section and terminated. The general direction and dip of the envelopes was maintained.

To determine kriging weights to be applied to samples at specified distances, search radii were determined by means of the evaluation of the semi-variogram parameters. The first search radii for all lodes were selected to be equal to two thirds of the semi-variogram long ranges in all directions. Model cells that did not receive a grade estimate from the first interpolation run were used in the next interpolation with greater search radii equal to full long semi-variogram ranges in all directions. The model cells that did not receive grades from the first two runs were then estimated using radii incremented by the full long semi-variogram ranges. When model cells were estimated using radii not exceeding the full semi-variogram ranges, a restriction of at least three samples from at least two drill holes was applied to increase the reliability of the estimates.

The block model for the Resource was constructed using a 20mE x 20mN x 10mRL parent block size, with sub-celling to 2mE x 2mN x 1mRL for domain volume resolution. The parent cell size was chosen on the basis of the general morphology of mineralised bodies and in order to avoid the generation of too large block models. The sub-celling size was chosen to maintain the resolution of the mineralised bodies. The sub-cells were optimised in the models where possible to form larger cells.

Cut-off grades

Statistical analysis showed natural breaks in the WO_3 grade population distribution at approximately 0.10% which formed the basis for the decision regarding determination of mineralisation envelope cut-off grade. The Mineral Resource is quoted from estimated blocks above this cut-off grade.

Mining and metallurgical methods and parameters

Given the Inferred Category of most of the current Resource, detailed mining studies are required in order to understand mining methods and parameters associated with Mulgine Trench, however the deposit could potentially be mined as a moderate to large-scale open pit based on the potential for a very low strip ratio and the fact that mineralisation occurs from the surface.

Hazelwood consider the tungsten (scheelite) mineralisation at Mulgine Trench to be recoverable by gravity pre-concentration followed by flotation to provide a saleable specification concentrate. Scheelite may also be recoverable using whole ore flotation methods, producing a lower grade concentrate suitable for APT (chemical) plant feed. Hazelwood is considering gravity separation followed by flotation to remove sulphides, using a process similar to that envisaged for the Mulgine Hill Deposit. Additional confirmatory test work on representative samples from Mulgine Trench will be required.

Please refer to the Competent Persons statements and the detailed information given in Table 1 on Appendix 1 of the announcement of 5 November 2014 for more information.

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ABOUT HAZELWOOD

Hazelwood Resources Ltd is a new 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 and its design is believed to be the most advanced in the world. High quality product from ATC meets the specifications of the Japanese and European markets and can be produced from a range of different feedstock sources.

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. The Big Hill Tungsten Deposit and Mt Mulgine Tungsten Project host near surface resources and 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.