

Placement to Raise up to \$1.1 Million

Hazelwood Resources Limited ("Hazelwood" or "the Company") is pleased to advise that it has received firm commitments for a placement to raise up to \$1.1 million through the issue of up to 74.3 million fully paid ordinary shares in the capital of the Company at \$0.015 per share, together with 1 free attaching option for every 1 share subscribed for under the placement ("Placement").

Settlement of \$860,200 of the Placement has completed, with the balance of the Placement expected to complete in the coming days.

The Placement has been undertaken to repay amounts owing to trade creditors and for the Company's general working capital purposes.

Hazelwood's Executive Chairman, Mr Mark Warren commented:

"The Board is extremely grateful to the investors in this placement for their support and belief in management's strategy to grow the business into a profitable and diversified producer of tungsten products, underpinned by our existing world-class ferrotungsten operation in Vietnam.

I remain encouraged by the potential of our ferrotungsten smelting business to generate significant returns for shareholders as we embark on a new chapter in 2015, with a new leadership team, and renewed strategy.

Hazelwood is in discussions with several parties in respect of the financing to repay its loan from Siderian Resource Capital Limited ("Siderian Loan") by 28 February 2015 and anticipates being in a position to announce further details in mid to late February 2015. It is expected that a component of this financing will be structured to allow eligible existing shareholders the opportunity to participate. Hazelwood also advises that it has agreed with Siderian to amend a key milestone of the forbearance and variation to the Siderian Loan previously announced to ASX. Under the amended milestone, the Company is required to raise a minimum of \$6,000,000 (rather than undertaking a rights issue), to be completed prior to the end of February. Further details of the Company's financing plans and commitment to repay Siderian early were announced to ASX on 2 January 2015.

The proposed recapitalisation of the business will underpin Hazelwood's ability to execute its Change Management Plan introduced by Hazelwood's new Executive Chairman, Mark Warren, aimed at driving the Company to profitability and provide a pipeline of further growth opportunities. The details of the Change Management Plan were announced to the ASX on 30 October 2014.

Placement Details

The placement shares will be issued to professional and sophisticated investor clients of Hartleys Limited and other investors exempt from disclosure under Chapter 6D of the Corporations Act as selected by the Company. The placement shares will be issued without prior shareholder approval under the Company's 15% annual placement capacity (as set out in ASX Listing Rule 7.1). All shares issued under the Placement rank equally with all other shares currently on issue.

Subject to shareholder approval, all investors in the Placement will receive 1 free attaching option for every 1 share subscribed for under the Placement with an exercise price of \$0.015 each and expiry date of 24 months after the date of issue. The options will be transferable and the Company intends to apply to have these options quoted following completion of its funding arrangements to repay the Siderian Loan, subject to meeting all applicable ASX criteria.

A notice of meeting will be issued to shareholders in the coming days to convene a general meeting to, among other things, ratify the issue of the placement shares and approve the issue of options under the Placement.

In order to conserve Company funds, subject to shareholder approval, Mr John Chegwiddden, a non-executive director of the Company, has agreed to be issued 7,000,000 shares and 7,000,000 options on the same basis as investors under the Placement, in lieu of \$105,000 of director and consultant fees owing to him. The notice of meeting will contain a resolution seeking approval in relation to the above.

Until Hazelwood finalises its funding plans, expected to be by late February, trading in the Company's securities will remain suspended. The Company is unaware of any reason why its securities should not be suspended. The Company is not aware of any other information necessary to inform the market about the suspension.

For further information, please contact Mark Warren on (08) 9320 5220 or email info@hazelwood.com.au

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