



## FINANCING UPDATE

### First stage of recapitalisation plan successfully completed

#### Secured loans to raise \$1.65 million

Hazelwood Resources Limited (ASX: HAZ) is pleased to announce it has successfully completed the first stage of its recapitalisation plan through the receipt of subordinated, second-ranking, debt to raise funds of \$1.65 million.

Hazelwood has agreed – subject to and conditional on the granting of shareholder approval – to issue to the lenders Convertible Notes for the principal sum of the loan funds. The proposed terms of the Convertible Notes are outlined in Hazelwood's ASX announcement dated 5 June 2015. A notice of meeting of shareholders in relation to the issue of the Convertible Notes will be despatched in the coming weeks.

The loan funds will provide working capital during the forthcoming entitlement issue period. As previously announced, Hazelwood will undertake a 9-for-10 pro rata non-renounceable entitlement issue at \$0.01 per share to raise up to \$11.6m, subject to a minimum subscription of \$6.5m, in order to repay the Siderian Debt Facility and other creditors and to provide working capital for operations at the Company's 60% owned ATC ferrotungsten plant in Vietnam. Further details of the entitlement issue, including an offer document and indicative timetable, will be announced in the coming weeks.

GMP Securities Australia Pty Ltd (GMP Securities) and Hartleys Limited (Hartleys) acted as joint lead managers to the debt issue.

Commenting on the successful issue, Hazelwood Executive Chairman, Mark Warren said:

"We are pleased with the strong support from existing shareholders and new sophisticated and professional investors, which has enabled us to comfortably exceed the minimum subscription of \$1.25 million. The funds raised provide Hazelwood with critical working capital while we advance the recapitalisation process and prepare to resume and expand production at the ATC ferrotungsten plant."

## ASX QUOTATION

This announcement is not intended to lift the suspension of trading in the Company's securities.

On the basis that re-instatement of trading in the Company's securities is likely to be materially prejudicial to its ability to successfully complete the recapitalisation which is critical to the Company's continued financial viability, trading in the Company's securities will remain suspended until the Company finalises its funding plans. 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.

# ASX Announcement

16 June 2015



# Hazelwood

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