

**HAZELWOOD RESOURCES LIMITED**  
**ACN 118 738 999**

**PROSPECTUS**

**For a non-renounceable entitlements issue on the basis of 9 Hazelwood Shares and 9 Attaching Options for every 10 Hazelwood Shares held by Hazelwood Shareholders at an application price of 1 cent per Hazelwood Share to raise up to approximately \$11,600,000 and an offer of any entitlements issue shortfall.**

**The Offers are subject to a minimum subscription of \$6,500,000**

**Joint Lead Managers**

**GMP Securities Australia Pty Limited and Hartleys Limited**

## CORPORATE DIRECTORY

Directors	Mr Mark Warren (Executive Chairman) Mr Patrick Burke (Non-Executive Director) Mr John Chegwiddden (Non-Executive Director)
Company Secretaries	Mr John Chegwiddden Ms Carol New
Registered Office	Level 1 33 Ord Street West Perth WA 6005 Telephone: (08) 9320 5220
Legal Adviser to the Offers	Bennett + Co Ground Floor, BGC Centre 28 The Esplanade Perth WA 6000
Share Registry	Computershare Investor Services Pty Limited Level 11, 172 St Georges Terrace Perth WA 6000
Joint Lead Managers	GMP Securities Australia Pty Limited Level 9, 190 St Georges Terrace PERTH WA 6000  Hartleys Limited Level 6, 141 St Georges Terrace PERTH WA 6000
<b>Key Dates</b>	
Announcement of Entitlements Issue	8 July 2015
Lodgement of Prospectus with ASIC	8 July 2015
Quotation of shares on “ex” basis	13 July 2015
Record Date to determine entitlements	15 July 2015
Dispatch of Prospectus	20 July 2015
Acceptances close	5 August 2015
Notice to ASX of under-subscriptions	10 August 2015
Issue of shares and options	12 August 2015
Despatch of Holding Statements	13 August 2015
Last date for placement of shortfall	5 November 2015
This timetable is indicative only. Investors are encouraged to submit their applications as early as possible.	

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### Important Notice

This Prospectus is dated 8 July 2015 and a copy was lodged with ASIC on 8 July 2015. The expiry date of the Prospectus is 7 July 2016 and no securities will be allotted, issued or sold on the basis of this Prospectus after this expiry date.

This Prospectus is for an offer of continuously quoted securities and accordingly is not required by the Corporations Act to contain all the information which is normally required to be set out in a document of this type.

The Prospectus incorporates by reference information contained in documents that have been lodged with ASIC. A document incorporated into the Prospectus in this manner may be obtained free of charge from the Company during the application period.

ASIC does not take any responsibility for the contents of this Prospectus. Neither ASIC, ASX, the Company and its directors guarantee any particular rate of return or the performance of the Company.

No person is authorised to give any information or to make any representation in connection with this Prospectus that is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offers.

It is important that you read this Prospectus carefully before deciding whether or not to accept the Offers described in the Prospectus and in particular, you should consider the risk factors that could affect the financial performance of the Company. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek professional investment advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether or not to accept the Offers.

The Entitlements Issue Offer to which this Prospectus relates is only available to holders of Hazelwood Shares with registered addresses in Australia and New Zealand. This Prospectus does not constitute an invitation or offer to persons with registered addresses outside Australia and New Zealand.

A number of words used in this Prospectus have defined meanings. Those terms are capitalised and are explained in the Glossary at the back of the Prospectus.

## **1 CHAIRMAN'S LETTER**

Dear Shareholders

Hazelwood's business objectives are to improve the operational efficiency and profitability of its 60% owned ATC ferrotungsten plant in Vietnam, investigate the addition of complementary products and accelerate studies of its Australian tungsten projects to realise their value.

In order to achieve these objectives and to refinance the Company's existing debt, Hazelwood requires additional capital. Since the start of the year Hazelwood has been working through a comprehensive recapitalisation process to assess the options available to the Company.

From the recapitalisation process, market analysis and project studies it is clear to the Board that with sufficient working capital, the ATC plant has the potential to generate strong and sustainable returns for Shareholders.

As a result, the Hazelwood Board resolved to undertake the recapitalisation announced on 5 June 2015, which if completed, would enable the Company to retire the Siderian debt facility and provide necessary working capital for the operations at ATC, the delivery of the Company's business plan and potential growth for Shareholders.

The recapitalisation plan includes an offer to Shareholders to participate via this Entitlements Issue, the details of which are outlined in this Prospectus.

GMP Securities Australia Pty Ltd and Hartleys Limited have been appointed joint lead managers to the Entitlements Issue and the placement of any shortfall arising from the Entitlements Issue.

Hazelwood's goal is to be the number one global producer of ferrotungsten. We believe our advanced facility, processing efficiency and cost improvements together with an appropriate capital base will position us to achieve this goal. Beyond this we will continue to look for other opportunities in complementary products to build our position as a successful Asian focused specialty metals business.

Hazelwood also believes there is potential upside from developing its Australian tungsten assets and has commenced discussions with parties interested in farming-in or acquiring an interest in these assets.

We look forward to your support for the Entitlements Issue and ask you to please read the Prospectus in detail.

Yours faithfully

Mark Warren  
Chairman

## **2 OFFER HIGHLIGHTS AND KEY INVESTMENT RISKS**

### **2.1 Offer Highlights**

#### **attractively priced**

- Opportunity for Shareholders to participate in the Company's recapitalisation and potential future growth via this Entitlements Offer.
- Entitlements Offer price of \$0.01 per Share represents a discount of approximately 47% to the last traded price.
- Participants in the Offers will receive 1 attaching Option for each Hazelwood Share subscribed for, exercisable at \$0.015 and expiring on 9 March 2017.

#### **strategic ownership in ATC ferrotungsten plant**

- Hazelwood has a 60% interest in the ATC ferrotungsten plant in Vietnam.
- Modern, globally significant ferrotungsten plant.
- Production capacity of approximately 4,000 tonnes of ferrotungsten alloy per annum.
- Operational efficiencies and cost savings implemented and on-going.
- Resumption and expansion of ferrotungsten production.
- Strong platform asset to underpin Hazelwood's goal of becoming a leading specialty metals business in Asia.

#### **substantial tungsten resource base**

- 100% interest in two significant tungsten deposits in Western Australia.
- Further exploration and development studies planned.
- Seeking to realise value including via farm-out or partial sale.

#### **strong balance sheet to support growth after recapitalisation**

- Subject to achieving the minimum subscription under the Offers, Hazelwood will repay the Siderian Debt and outstanding trade creditors.
- If fully subscribed provides balance sheet capacity to expand production at ATC and realise value for the Australian tungsten projects.
- Corporate cost base substantially reduced and management team restructured toward achieving near-term operational objectives.

### **2.2 Key Investment Risks**

The risks associated with an investment in the Company are set out in section 5 of this Prospectus. You should consider these risks before deciding on whether to participate in the Offers under this Prospectus. Key investment risks include the following:

- Depending on the Company's ability to generate income from operations it may require further financing in addition to amounts raised by the Offers. Any additional equity financing will dilute shareholdings, and debt financing may involve restrictions on business strategy and financing and operating activities.
- Future profitability is dependent upon many factors. The Company has yet to achieve profitability. To achieve profitability the Company needs to increase revenues from its ATC ferrotungsten plant whilst containing its operating costs.
- Risks associated with production from the ATC ferrotungsten plant including inability to source spare parts and materials, industrial accidents, technical failures, labour disputes, flooding and extended interruptions due to inclement or hazardous weather conditions and fires, explosions or accidents.
- Raw materials required in the production of ferrotungsten are planned to be sourced from external sources, both domestically in Vietnam and internationally. The quality and quantity of the available raw materials and fluctuations in the market price for such raw materials represents a significant risk to the viability of the ATC ferrotungsten plant.
- Exposure of the ATC ferrotungsten plant to political, economic and social risks of Vietnam, a developing nation, including the potential for changes to permits and approvals required for the operation of the plant.
- There is no assurance that the exploration and development of the Company's Australian exploration projects will result in the development of an economic mineral deposit.
- Ability to comply with environmental guidelines and policies in both Australia and Vietnam applicable to the Company's projects. The Company's operations are expected to have an impact on the environment.
- Commodity price volatility and exchange rate risks may adversely impact the Company, particularly volatility in relation to the pricing of ferrotungsten which may affect future revenues and profitability, further rate of growth and the carrying value of the assets of the Company.
- Economic conditions as well as share market volatility may affect the Company's share price performance regardless of the Company's operating performance.
- The Company is party to various joint ventures and any default including financial default by another joint venture participant may adversely affect the operations and performance of the Company.
- The quality and tonnage demand from the international and domestic marketplace for ferrotungsten production and the supply of ferrotungsten from new entrants to the market affecting the marketability of the ferrotungsten provided by the ATC ferrotungsten plant.

- Potential contractual defaults including non-payment by customers for ferrotungsten or failure to take delivery of contracted volumes.
- If the margin between the cost of tungsten concentrate to the ATC joint venture and the price received for the sale of ferrotungsten reduces for a sustained period below that level that is profitable for ATC and the Company is unable to lower its cost base further the ATC ferrotungsten operations may not be commercially viable.
- ATC may suspend operations at the ATC ferrotungsten plant in the event that the operation is unable to generate positive cash flow. Suspension of operations would result in loss of revenues and additional expenses including expenses for termination of contracts, redundancies and maintenance of equipment used at the ATC ferrotungsten plant.

### 3.1 The Entitlements Issue Offer

The Entitlements Issue Offer is being made by Hazelwood to Hazelwood Shareholders. The Entitlements Issue Offer is 9 Hazelwood Shares and 9 Attaching Options for every 10 Hazelwood Shares held on the Record Date at a price of \$0.01 per Hazelwood Share. The Entitlements Issue Offer can be accepted at any time up to the Closing Date.

Based on the capital structure of the Company at the date of the Prospectus approximately 1,167,136,635 Hazelwood Shares and 1,167,136,635 Attaching Options will be offered to Hazelwood Shareholders to raise approximately \$11,600,000.

The number of Hazelwood Shares and Attaching Options to which you are entitled is shown on the accompanying Entitlement and Acceptance Form.

You may accept all or only part of your entitlement.

The Offer is non-renounceable.

Your Choices	Specific Action Required	By When
(1) Subscribe for all of your Entitlements	Make payment by BPAY or complete the accompanying Entitlement and Acceptance Form and send it to the Share Registry	5.00 pm (WST) on 5 August 2015
(2) Subscribe for all of your Entitlements and apply for additional Hazelwood Shares and Attaching Options from the Shortfall	Make payment by BPAY or complete the accompanying Entitlement and Acceptance Form and send it to the Share Registry including for the amount of Shortfall you want to subscribe for	5.00 pm (WST) on 5 August 2015
(3) Subscribe for part of your Entitlements and allow the balance to lapse	Make payment by BPAY or complete the accompanying Entitlement and Acceptance Form in relation to the amount you want to subscribe for and send it to the Share Registry	5.00 pm (WST) on 5 August 2015
(4) Not subscribe for any of your Entitlements and allow them to lapse	Do nothing	Not applicable



The Company will also allow Hazelwood Shareholders (other than the directors or their controlled entities) to apply for additional shares if they wish to do so, although there is no guarantee that any application for additional shares will be accepted. If all Hazelwood Shareholders do not take up their Entitlements in full the Shortfall will be allocated at the discretion of the Joint Lead Managers in consultation with the Company.

The Entitlement and Acceptance Form is required to be completed in accordance with the instructions on the reverse of the Entitlement and Acceptance Form unless payment is made by BPAY® in which case it need not be completed.

Entitlement and Acceptance Forms must be either accompanied by a cheque or bank draft, in Australian dollars, for the application monies or payment can be made by BPAY®. Cheques must be made payable to “Hazelwood Resources Limited” and crossed “Not Negotiable”. Cash will not be accepted and receipts will not be issued.

Please note that the Entitlements Issue Offer closes at 5.00pm WST on 5 August 2015.

If you are paying by cheque it is important that the Entitlement and Acceptance Form is received by the Share Registry no later than that date. Your Entitlement and Acceptance Form can be sent to:

Computershare Investor Services Pty Limited  
GPO Box 505  
MELBOURNE, VICTORIA, 3001, AUSTRALIA

If an Entitlement and Acceptance Form is not completed correctly it may still be accepted by the Company. The Company’s decision as to whether to accept the application or how to construe, amend or complete it, shall be final.

If you are paying by BPAY® it is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (WST) on the Entitlements Issue Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

Acceptance of a completed Entitlement and Acceptance Form or receipt of payment via BPAY® by the Company creates a legally binding contract between the applicant and the Company for the number of shares accepted or deemed to be accepted by the applicant.

If you have any queries regarding your Entitlements, please contact the Company by telephone on +61 8 9320 5220 or by email at [info@hazelwood.com.au](mailto:info@hazelwood.com.au) or your stockbroker or professional adviser.

### 3.2 **Shortfall**

Any Shortfall from the Entitlements Issue Offer may be applied at the discretion of the Directors to issue Hazelwood Shares and Hazelwood Options to Hazelwood Shareholders who have applied for additional shares or to clients of the Joint Lead Managers.

The Directors also reserve the right to issue any remaining Shortfall in the three months after the Entitlements Issue Closing Date at an issue price not less than the Entitlements Issue Offer price to parties other than related parties of the Company.

### 3.3 Purpose of Offers and Use of Funds

Hazelwood is undertaking the Offers to raise capital to strengthen the Company's financial position, repay the Siderian Debt and provide working capital to the operations at the ATC ferrotungsten plant owned by Hazelwood's 60% owned subsidiary, ATC. Hazelwood intends to achieve these objectives from utilising the proceeds of the Offers as follows:

Details	Minimum Subscription	Fully Subscribed
Principal due under the Siderian facility <sup>1</sup>	\$5,333,333	\$5,333,333
Interest and final fees due under the Siderian facility <sup>2</sup>	\$166,667	\$166,667
Fees payable to the Joint Lead Managers <sup>3</sup>	\$390,000	\$696,000
Estimated costs of the Offers <sup>4</sup>	\$64,000	\$75,000
Working capital including payment of trade creditors	\$ 546,000	\$ 829,000
ATC tungsten concentrate purchases	-	\$ 4,500,000
<b>Total</b>	<b>\$6,500,000</b>	<b>\$11,600,000</b>

1. USD \$4 million @ AUD/USD exchange rate = 0.75
2. USD \$125,000 @ AUD/USD exchange rate = 0.75
3. The Joint Lead Managers may elect to have all or part of their fees paid in Shares and Attaching Options on the same terms as the Offers. If such election is made the monies that would otherwise have been paid to the Joint Lead Manager will be used for working capital.
4. Estimated costs of offer include legal fees, ASX fees, printing and postage, share registry fees, and sundry expenses. It does not include brokers commissions, these are borne by the Joint Lead Managers

### 3.4 Proposed Capital Structure

The following table sets out details of the capital structure of the Company upon the issue of the Hazelwood Shares and Attaching Options pursuant to the Offers, assuming the Offers are fully subscribed, no Options are exercised, and the Joint Lead Managers do not elect to have any of their fees in relation to the Offers paid in Shares and Attaching Options.

<b>ORDINARY SHARES</b>	<b>AMOUNT</b>
Hazelwood Shares Currently on issue	1,296,818,483
Hazelwood Shares to be issued pursuant to Offers	1,167,136,635
Hazelwood Shares to be issued in lieu of cash capital raising fees <sup>1</sup>	4,310,800
Hazelwood Shares on issue after the Offers	2,468,265,918

<sup>1</sup> Issue of Hazelwood Shares to Hartleys Limited (or its nominee) is in lieu of cash fees in respect of the placement completed in Q1 2015 and is subject to approval of Hazelwood Shareholders at a general meeting to be held on 31 July 2015.

<b>OPTIONS</b>	<b>AMOUNT</b>
Options exercisable at \$0.25 on or before 6 August 2015	5,000,000
Options exercisable at \$0.05 on or before 30 November 2015	15,000,000
Options exercisable at \$0.055 on or before 27 November 2016	139,571,432
Options exercisable at \$0.015 on or before 9 March 2017	78,846,667
Total Options currently on issue	238,418,099
Attaching Options to be issued pursuant to the Offers	1,167,136,635
Attaching Options to be issued to Convertible Note holders <sup>1</sup>	380,000,000
Options to be issued to Joint Lead Managers <sup>1, 2</sup>	50,000,000
Options to be issued in lieu of cash capital raising fees <sup>1, 2</sup>	4,310,800
Options to be issued to Mr Terry Butler-Blaxell <sup>1, 3</sup>	15,000,000
Options to be issued to Mr Mark Warren <sup>1, 4</sup>	75,000,000
Total Options on issue after the Offers	1,929,865,534

<sup>1</sup> Issue of Options to Hartleys Limited (or its nominee) is in lieu of cash fees in respect of the placement completed in Q1 2015 and is subject to approval of Hazelwood Shareholders at a general meeting to be held on 31 July 2015.

<sup>2</sup> Options exercisable at \$0.015 on or before 9 March 2017.

<sup>3</sup> Options exercisable at 145% of the closing price of shares on ASX on the trading day before the date the Options are issued, exercisable within 3 years after the date the Options are issued.

<sup>4</sup> Options exercisable at \$0.015 within 4 years after the date the Options are issued, subject to 1 year vesting period.

<b>CONVERTIBLE NOTES</b>	<b>AMOUNT</b>
Convertible Notes with face value of \$50,000 each convertible at \$0.005 on or before 1 July 2018 <sup>1</sup>	37 <sup>2</sup>
Convertible Notes with face value of \$25,000 each convertible at \$0.005 on or before 1 July 2018 <sup>1</sup>	2 <sup>3</sup>

<sup>1</sup> Issue of Convertible Notes is subject to approval of Hazelwood Shareholders at a general meeting to be held on 31 July 2015.

<sup>2</sup> If all Convertible Notes are converted for their face value a total of 370,000,000 Hazelwood Shares will be issued.

<sup>3</sup> If both Convertible Notes are converted for their face value a total of 10,000,000 Hazelwood Shares will be issued.

### 3.5 **Joint Lead Managers**

GMP Securities Australia Pty Limited (GMP Securities) and Hartleys Limited (Hartleys) have been appointed to act as Joint Lead Managers for the Entitlements Issue Offer. Details of the fees payable to GMP Securities and Hartleys are set out in section 7.2 of this Prospectus.

### 3.6 **Rounding of Entitlements**

All entitlements will be rounded up to the nearest whole number of Hazelwood Shares and Attaching Options.

### 3.7 **Minimum Subscription**

The minimum subscription for the Offers is \$6,500,000.

In accordance with section 723 of the Corporations Act, the Company will not allot any Hazelwood Shares or Attaching Options pursuant to this Prospectus until the minimum subscription has been reached. If this amount is not received within 4 months after the date of the Prospectus the Company will either refund all Application Monies (without interest) or issue a Supplementary or Replacement Prospectus and allow applicants to withdraw their applications and be repaid their Application Monies.

### 3.8 **Brokerage and Duty**

No brokerage or duty will be payable by Hazelwood Shareholders who subscribe to the Entitlements Issue Offer.

### 3.9 **ASX Listing**

Application for quotation by ASX of the Hazelwood Shares and Attaching Options offered pursuant to the Entitlements Issue Offer will be made within 7 days after the date of this Prospectus. If any Hazelwood Shares and Attaching Options offered by this Prospectus are not admitted for quotation by ASX before the expiration of three months after the date of the Prospectus (or such longer period as is approved by ASIC), the Company will give all accepting applicants one month to withdraw their application and be repaid their subscription Application Monies.

The fact that ASX may grant quotation for the Hazelwood Shares and Attaching Options the subject of this Prospectus is not to be taken in any way as an indication of the merits of the Company, or the Hazelwood Shares.

**3.10 No Offer of Hazelwood Shares or Attaching Options after 13 months**

No Hazelwood Shares or Attaching Options will be granted on the basis of this Prospectus later than 13 months after the date of this Prospectus.

**3.11 Overseas Investors**

Having regard to the number of holders of Hazelwood Shares outside Australia and New Zealand, the number and value of Hazelwood Shares that would be offered and the cost of complying with the legal requirements and the requirements of the regulatory authorities in the relevant foreign countries, the Company has decided it is unreasonable to make the Offers to holders of Hazelwood Shares whose registered address is outside Australia and New Zealand.

Accordingly, this Prospectus does not constitute an Offer to holders of Hazelwood Shares whose registered address is outside Australia and New Zealand.

**3.12 Issue of Hazelwood Shares and Attaching Options**

The Hazelwood Shares and Attaching Options the subject of the Entitlements Issue Offer are expected to be issued on 12 August 2015. Until the issue of the Hazelwood Shares and Attaching Options under this Prospectus, the acceptance money will be held in trust.

**3.13 Taxation Implications**

The Company does not consider that it is appropriate to give potential applicants advice regarding the taxation consequences of applying for Hazelwood Shares and Attaching Options under this Prospectus as it is not possible to provide a comprehensive summary of the possible taxation positions of potential applicants. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to potential applicants as a result of accepting the Offers. Potential applicants should, therefore, consult their own tax adviser in connection with the taxation implications of the Offers.

**3.14 Privacy Act**

If you complete an application for Hazelwood Shares and Attaching Options you will be providing personal information to the Company (directly or to the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a shareholder, facilitate distribution payments and corporate communications to you as a shareholder and carry out administration. The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the *Corporations Act* and certain rules such as the ASTC Settlement Rules.

You should note that if you do not provide the information required on the application for Hazelwood Shares and Attaching Options, the Company may not be able to accept or process your application.

## 4.1 Pro-Forma Balance Sheet

The Balance Sheet for the Company as at 31 May 2015 is set out below. In addition, Hazelwood has included a pro-forma Balance Sheet as at 31 May 2015 that assumes the Offers were complete as at 31 May 2015 and adjusted to reflect the financial effect of the Offers, the proposed Convertible Note issue and the repayment of the Siderian Debt.

	Actual 31 May 2015	Pro-forma 31 May 2015 Minimum subscription	Pro-forma 31 May 2015 Maximum subscription
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	54,665	1,054,422	6,154,422
Trade and Other Receivables	295,489	76,841	76,841
Inventories	4,390,717	4,390,717	4,390,717
Other Assets	371,454	371,454	371,454
<b>TOTAL CURRENT ASSETS</b>	<b>5,112,325</b>	<b>5,893,434</b>	<b>10,993,434</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	6,242,057	6,242,057	6,242,057
Exploration, Evaluation and Development	24,725,249	24,725,249	24,725,249
<b>TOTAL NON-CURRENT ASSETS</b>	<b>30,967,306</b>	<b>30,967,306</b>	<b>30,967,306</b>
<b>TOTAL ASSETS</b>	<b>36,079,631</b>	<b>36,860,740</b>	<b>41,960,740</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	4,185,593	2,816,681	3,134,171
Provisions	87,349	87,349	87,349
Deferred Revenue	30,774	-	-
Financial Liabilities	5,583,333	106,133	106,133
<b>TOTAL CURRENT LIABILITIES</b>	<b>9,887,049</b>	<b>2,904,030</b>	<b>3,221,520</b>
<b>NON-CURRENT LIABILITIES</b>			
Financial Liabilities – Convertible Notes	-	1,900,000	1,900,000
Financial Liabilities	3,476,088	3,476,088	3,476,088
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>3,476,088</b>	<b>5,376,088</b>	<b>5,376,088</b>
<b>TOTAL LIABILITIES</b>	<b>13,363,137</b>	<b>8,280,118</b>	<b>8,597,608</b>
<b>NET ASSETS</b>	<b>22,716,494</b>	<b>28,580,622</b>	<b>33,363,132</b>
<b>EQUITY</b>			
Issued capital	62,776,827	68,886,827	73,498,827
Reserves	4,051,581	4,159,798	4,216,798
Accumulated losses	(37,739,226)	(38,074,448)	(38,085,938)
Parent Interest	29,089,182	38,847,177	39,629,687
Non-controlling Interest	(6,266,555)	(6,497,688)	(6,497,688)
<b>TOTAL EQUITY</b>	<b>22,822,627</b>	<b>28,580,622</b>	<b>33,363,132</b>

## 4.2 Notes concerning the Balance Sheets

The pro-forma Balance Sheet has been prepared based on the Balance Sheet as at 31 May 2015 adjusted for financial effects of the Offers on the assumption that the following transactions had occurred as at 31 May 2015:

- (a) The issue of 1,167,136,635 Hazelwood Shares and 1,167,136,635 attaching Options at an issue price of 1 cent per share pursuant to the Offers to raise a total of approximately \$11,600,000 before expenses. The number of shares and options issued is based on the offer of 9 new Hazelwood Shares and 9 Attaching Options for every 10 existing Hazelwood Shares held by Hazelwood Shareholders.

- (b) The costs of the Offers are recognised as a reduction in equity, detailed as follows:

	\$	\$
Contributed capital	6,500,000	11,600,000
Capital raising costs	453,390	770,880
Net proceeds from Offers	6,046,610	10,829,120

	\$	\$
Broker fees	390,000	696,000
Legal fees	15,000	15,000
Other issue costs	48,390	59,880
Total capital raising costs	453,390	770,880

- (c) The issue of 33 convertible notes with a face value of \$50,000 each to raise a total of \$1,650,000 before expenses.
- (d) The issue of 2 convertible notes with a face value of \$50,000 each in respect of the costs of the convertible note capital raising.
- (e) The issue of 2 convertible notes with a face value of \$50,000 each in payment of fees owing to directors.
- (f) The issue of 2 convertible notes with a face value of \$25,000 each in payment of fees owing to directors and Bennett + Co.
- (g) The repayment of secured debt (comprising principal, interest and fees) of approximately \$5,500,000 to Siderian Resource Capital Limited out of the proceeds of the Offers.
- (h) The issue of securities as per Resolution 4 of the Notice of Extraordinary General Meeting of Shareholders to be held on 31 July 2015.
- (i) The issue of securities as per Resolutions 11, 12 and 14 of the Notice of Extraordinary General Meeting of Shareholders to be held on 31 July 2015 based on Black and Scholes valuations.



### 5.1 Overview

The Shares offered under this Prospectus are considered speculative. Activities of Hazelwood are subject to a number of risks and other factors which may impact its future performance. Some of these risks can be mitigated by the use of safeguards and appropriate controls, however, many are outside the control of Hazelwood and cannot be mitigated. There are also general risks associated with any investment in shares. Hence, investors should be aware that the performance of Hazelwood may be affected and the value of its shares may rise or fall over any given period. The Directors recommend that investors seek relevant advice from their financial, legal or other advisor about these risks before making a decision to invest in the Hazelwood Shares.

The following summary, whilst not exhaustive, represents some of the major risk factors of which potential investors need to be aware.

### 5.2 General risks

An investment in the Company involves general risks associated with any investment in shares of companies that are listed on a stock exchange. Many factors affect the financial performance of Hazelwood and/or the price of its shares and options. General risk factors include:

#### **Requirement for further funding**

Depending on the Company's ability to generate income from operations it may require further financing in addition to amounts raised by the Offers. Any additional equity financing will dilute shareholdings, and debt financing may involve restrictions on business strategy and financing and operating activities.

#### **Movement in Australian and overseas share markets and financial markets generally**

A number of factors affect the performance of stockmarket investments that could also affect the price at which shares trade on the ASX. Movements on international stockmarkets, local interest rates and exchange rates, domestic and international economic conditions, as well as government taxation and other policy changes may affect the stock-market.

#### **Changes in legislation and government regulation**

Government legislation, including changes to the taxation system, may affect future earnings and the relative attractiveness of investing in the Company. Changes in government policy (such as in relation to taxation or media and entertainment) or statutory changes may affect the Company and the attractiveness of an investment in it.

## **Economic conditions**

Economic conditions, both domestic and global, may affect the performance of the Company. The Company's future possible revenue and share price can be affected by these conditions all of which are beyond the control of the Company and the Directors. In addition, the Company's ability to raise additional capital, should it be required, may be affected.

## **Acts of terrorism and outbreak of international hostilities**

An act of terrorism or an outbreak of international hostilities may occur, adversely affecting consumer confidence, customer spending and share market performance. This may have an adverse impact on Hazelwood's operating, financial and share price performance.

### **5.3 Specific risks**

#### **Production risks**

There are risks associated with production from the ATC ferrotungsten plant including inability to source spare parts and materials, industrial accidents, technical failures, labour disputes, flooding and extended interruptions due to inclement or hazardous weather conditions and fires, explosions or accidents. A failure of the ATC ferrotungsten plant would lead to direct costs being incurred to repair the plant and loss of revenue as a consequence of any period in which the plant is not operational.

Raw materials required in the production of ferrotungsten are planned to be sourced from external sources, both domestically in Vietnam and internationally. The quality and quantity of the available raw materials and fluctuations in the market price for such raw materials represents a significant risk to the viability of the ATC ferrotungsten plant.

#### **Viability of ATC ferrotungsten plant**

Hazelwood has identified a need for funding to repay its current debts, but also to manage its working capital position, particularly in periods of high volatility in the price of tungsten concentrate and ferrotungsten. If the margin between the cost of tungsten concentrate to ATC and the price received for the sale of ferrotungsten reduces for a sustained period below that level that is profitable for ATC and the Company is unable to lower its cost base further, the ATC ferrotungsten operations may not remain viable, which could ultimately impact on the Company's ability to operate as a going concern.

There is a risk that ATC may resolve to suspend operations at the ATC ferrotungsten plant in the event that the operation was unable to generate positive cash flow. Suspension of operations would result in loss of revenues and additional expenses may be incurred including expenses for termination of contracts, redundancies, and maintenance of equipment used at the ATC ferrotungsten plant.

### **Ferrotungsten marketing and ferrotungsten prices**

The marketability of the ferrotungsten production depends upon the quality and tonnage demand from the international and domestic marketplace and the supply of ferrotungsten including from new entrants to the market. Chinese companies are significant producers in the global tungsten industry. Controls such as duties, tariffs and taxes by the Chinese Government on their domestic tungsten industry and tungsten exports, has previously contributed to higher tungsten prices in recent years. In May 2015, China removed taxes on exports of tungsten concentrate, and removed tariffs on shipments of ferrotungsten. The changes in this Chinese policy may create more supply of ferrotungsten into the non-China markets and possibly create weaker prices and more competition in the supply of ferrotungsten into ATC's markets.

Customers may default on their contractual obligations with the Company. Potential contractual defaults may include non payment for ferrotungsten or failure to take delivery of contracted volumes. Should such a default occur, the Company may find it difficult to access other customers.

Depressed ferrotungsten prices would affect the business. Future revenues, profitability, rate of growth and the carrying value of the assets of the Company depend heavily on prevailing market prices for ferrotungsten. Any substantial or extended decline in the price of ferrotungsten could have a material adverse effect on the financial condition and results of operations of the ATC ferrotungsten plant.

Increases in ferrotungsten prices could encourage new or existing international ferrotungsten producers to expand their production capacity. Any oversupply of ferrotungsten in the world markets could reduce world ferrotungsten prices in the future and the prices the Company receives under new ferrotungsten supply agreements, which could have a material adverse effect on the financial condition and results of operations of the ATC ferrotungsten plant.

### **Joint Venture Risk**

The Company is party to various joint ventures and any default including financial default by another joint venture participant may adversely affect the operations and performance of the Company.

### **Risks associated with operations in Vietnam**

The Company has a 60% joint venture interest in the ATC ferrotungsten plant through ATC. The ATC ferrotungsten plant is located in Vietnam, which is a developing nation with associated political, economic and social risks to which the Company will be exposed.

These risks and uncertainties include, but are not limited to, economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, labour relations as well as government control over natural resources or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

Changes, if any, in industrial or investment policies or shifts in political attitude in Vietnam may adversely affect the operations or profitability of the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, foreign currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and occupational health and safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to the operation of the plant, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

Outcomes in courts in Vietnam may be less predictable than in Australia, which could affect the enforceability of contracts entered into by the Company or any subsidiaries in Vietnam.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations or profitability of the Company. The Company has made its investment and strategic decisions based on the information currently available to the Directors, however should there be any material change in the political, economic, legal and social environments in Vietnam, the Directors may reassess investment decisions and commitments to assets in Vietnam.

### **Exploration and Mining**

The mineral tenements of the Company are at various stages of exploration and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of these tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit, or if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

No assurances can be given that the Company will achieve commercial viability through the successful exploration or mining of its tenement interests. Until the Company is able to realise value from its exploration projects, it is likely to incur ongoing operating losses from those projects.

### **Resource Estimates**

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to exploration, development and mining plans which may, in turn, either benefit or adversely affect the Company's operations.

## **Environment**

The operations and proposed activities of the Company are subject to laws and regulation concerning the environment applicable in the jurisdiction of those activities. As with most exploration projects, mining operations and mineral processing operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programs or mining activities.

## **Title and native title**

Interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

The Company cannot guarantee additional applications for tenements made by the Company will ultimately be granted, in whole or in part. Further the Company cannot guarantee that renewals of valid tenements will be granted on a timely basis, or at all. The Company has yet to receive regulatory and environmental approval to convert its exploration licences into mining leases. There is a risk that these approvals may not be obtained.

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

Further to this, it is possible that an Indigenous Land Use Agreement (ILUA) may be registered against one or more of the tenements in which the Company has an interest. The terms and conditions of any such ILUA may be unfavourable for, or restrictive against, the Company.

The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

### **Sovereign**

Any future material adverse changes in government policies or legislation in the jurisdictions in which the Company has mining and exploration projects that affect exploration, development or activities of companies involved in resource exploration and production, may affect the viability and profitability of the Company.

### **Mine development**

Possible future development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.

### **Reliance on key personnel**

The Company's projects require personnel with appropriate industry experience and qualifications and the loss of such key personnel may have an adverse impact on the activities of the Company.

### **Utility Solution Patent claim**

In September 2013 a competitor of ATC was granted a Utility Solution Patent in Vietnam for the manufacture of ferrotungsten. A Utility Solution Patent is a form of intellectual property protection unique to Vietnam. The utility solution patent holder alleges that ATC's manufacturing method infringes this utility solution. ATC and the Company strenuously deny this allegation and are providing information to the Ministry of Science and Technology Inspectorate of Vietnam to prove that ATC's manufacture does not infringe the utility solution. ATC is also seeking to have the Utility Solution Patent invalidated on the grounds of prior art and incorrect technical pleading. There is a risk, however, that if the claim by the holder of the Utility Solution Patent is upheld against ATC that this may disrupt production at the ATC ferrotungsten plant and may also give rise to a monetary claim by the Utility Solution Patent holder against ATC.

### 6.1 Hazelwood Shares

The rights attaching to ownership of the Hazelwood Shares to be issued pursuant to this Prospectus are detailed in the Constitution of the Company, which may be inspected during normal business hours at the Company's registered office. Set out below is a summary of the rights, liabilities, privileges and restrictions that will attach to the Hazelwood Shares.

#### **Voting**

At a general meeting, every holder of Hazelwood Shares present in person or by proxy, attorney or representative will have one vote on a show of hands and on a poll, one vote for each Hazelwood Share held, but in respect of partly paid shares, such number of votes being equivalent to the proportion which the amount paid is to the total amounts paid and payable in respect of those shares.

#### **General Meeting**

Each holder of Hazelwood Shares is entitled to receive notice of, and to attend and vote at general meetings of the Company and receive all financial statements, notices and other documents required to be sent to members under the Constitution or the Corporations Act.

#### **Dividends**

The profits of the Company which the directors from time to time may determine by way of dividend are divisible amongst the members in proportion to the amounts paid up on the shares held by them.

#### **Issue of further Hazelwood Shares**

The directors may (subject to the restrictions on the allotment of shares imposed by the Constitution, ASX Listing Rules and the Corporations Act) allot further Hazelwood Shares on such terms and conditions as they see fit and issue preference shares on the terms set out in the Constitution.

#### **Transfers of Hazelwood Shares**

Holders of Hazelwood Shares may transfer them by a proper transfer effected in accordance with the ASTC Settlement Rules and the ASX and as otherwise permitted by the Corporations Act.

The directors may decline to register a transfer of Hazelwood Shares where the transfer is not in registrable form, where the refusal to register the transfer is permitted under the ASX Listing Rules or any escrow agreement entered into by the Company. If the directors decline to register a transfer the Company must give the party lodging the transfer notice of the refusal and the reason for refusal.

## **Winding Up**

Holders of Hazelwood Shares will be entitled in a winding up of the Company to share in any surplus assets of the Company in proportion to the Hazelwood Shares held by them, subject to the rights of shareholders (if any) entitled to shares with special rights in a winding-up and the Corporations Act.

### **6.2 Hazelwood Options**

The terms and conditions of the Options are set out below:

**(a) Entitlement**

Each Option entitles the holder to subscribe for one Hazelwood Share upon exercise of the Option.

**(b) Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.015 (**Exercise Price**).

**(c) Expiry Date**

Each Option will expire at 5:00 pm (WST) on 9 March 2017 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

**(d) Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

**(e) Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

**(f) Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

**(g) Timing of issue of Hazelwood Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) allot and issue the number of Hazelwood Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and



- (ii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Hazelwood Shares issued pursuant to the exercise of the Options.
- (h) **Shares issued on exercise**

Hazelwood Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
- (i) **Quotation of Hazelwood Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Hazelwood Shares issued upon the exercise of the Options.
- (j) **Reconstruction of capital**

If at any time the issued capital of the Company is reorganised or reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation or reconstruction.
- (k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (l) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.
- (m) **Quotation of Options**

If admitted to the official list of ASX at the time, the Company will apply for quotation of the Options on ASX. However, if the criterion for quotation of the Options on ASX is unable to be satisfied, the Options will not be quoted.
- (n) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

## 7.1 Interests of Directors

Other than set out below or elsewhere in this Prospectus:

- (a) No director of the Company has, or has had in the 2 years before lodgement of this Prospectus, any interest in:
  - (i) the formation or promotion of the Company; or
  - (ii) in any property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offers; or
  - (iii) the Offers.
- (b) No amount, has been paid or agreed to be paid to any director of the Company either to induce him to become, or to qualify as a director, or otherwise for services rendered by him in connection with:
  - (i) the promotion or formation of the Company; or
  - (ii) the Offers.

**Interests of Directors in Hazelwood Shares, Options and Convertible Notes**

Directors are not required under the Constitution to hold any shares in the Company.

At the date of this Prospectus, directors of the Company have relevant interests in the following securities in the Company:

Director	Shares	Options
Mr Mark Warren	-	-
Mr Patrick Burke	-	-
Mr John Chegwiddden	30,939,737	9,000,000 <sup>1</sup>

<sup>1</sup> 2,000,000 Options exercisable at \$0.25 each and expiring on 6/08/2015 and 7,000,000 Options exercisable at \$0.015 each and expiring on 9/03/2017.

Each of the directors have also agreed to subscribe for the following Convertible Notes and Attaching Options in the Company by way of repayment of outstanding fees subject to Hazelwood Shareholder approval at a general meeting to be held on 31 July 2015:

Director	Convertible Notes	Attaching Options
Mr Mark Warren	1 Convertible Note with face value of \$50,000	10,000,000
Mr Patrick Burke	1 Convertible Note with face value of \$25,000	5,000,000
Mr John Chegwiddden	1 Convertible Note with face value of \$50,000	10,000,000

In addition the Company has agreed to issue 75,000,000 Options to Mark Warren exercisable at \$0.015 each and expiring four years after the date of issue subject to a one year vesting period as part of his remuneration, subject to Hazelwood Shareholder approval at a general meeting to be held on 31 July 2015.

### **Directors' Fees**

The Constitution of the Company provides that the directors are entitled to such remuneration as the directors determine, but the remuneration of non-executive directors must not exceed in aggregate a maximum amount fixed by the Company in general meeting for that purpose. The current maximum is \$300,000.

Mr Burke and Mr Chegwidden are currently each entitled to non-executive director fees of \$60,000 per annum.

### **Executive Director Remuneration**

The executive directors of the Company are remunerated on commercial terms appropriate to their experience and role in the Company.

Mr Warren is currently entitled to executive remuneration of \$1,650 per day worked plus GST, together with director fees of \$60,000 per annum.

### **Consulting Fees**

Mr Burke is currently entitled to consulting fees of \$5,000 per month plus GST to provide legal and corporate services to the Company.

### **Participation in Offers**

Mr Chegwidden will be entitled to subscribe for Hazelwood Shares and Attaching Options pursuant to the Entitlements Issue Offer. Mr Chegwidden intends to subscribe to the Entitlement Issue Offer and may subscribe for his full Entitlement.

## **7.2 Interests of Named Parties**

Other than as set out below or elsewhere in this Prospectus:

- (a) No person named in the Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus or as underwriter has, or has had in the 2 years before lodgement of this Prospectus, any interest in the:
  - (i) formation or promotion of the Company; or
  - (ii) in any property proposed to be acquired by the Company in connection with its formation or promotion; or
  - (iii) the Offers.

- (b) no amount has been paid or agreed to be paid to any such person for services rendered by them in connection with:
  - (i) the promotion or formation of the Company; or
  - (ii) the Offers.

#### **Bennett + Co**

Bennett + Co has acted as legal advisor to the Offers and in that capacity has been involved in providing legal advice to the Company in relation to the Offers. The Company will pay Bennett + Co approximately \$15,000 for these services.

#### **GMP Securities Australia Pty Limited**

GMP Securities Australia Pty Limited has agreed to act as a Joint Lead Manager in relation to the Offers.

The Company has agreed to pay GMP Securities Australia Pty Limited a management and capital raising fee of 3% of the total amount raised pursuant to the Offers and in the event that no less than \$10,000,000 is raised pursuant to the Offers the Company will also issue GMP Securities Australia Pty Limited all or its nominee 25,000,000 Options on the same terms as the Attaching Options.

The Company has agreed that GMP Securities Australia Pty Limited may elect for all or part of the management and capital raising fee to be paid by the issue of Hazelwood Shares and Attaching Options on the same terms as the Entitlements Offer, subject to Hazelwood Shareholder approval.

#### **Hartleys Limited**

Hartleys Limited has agreed to act as a Joint Lead Manager in relation to the Offers.

The Company has agreed to pay Hartleys Limited a management and capital raising fee of 3% of the total amount raised pursuant to the Offers and in the event that no less than \$10,000,000 is raised pursuant to the Offers the Company will also issue Hartleys Limited all or its nominee 25,000,000 Options on the same terms as the Attaching Options.

The Company has agreed that Hartleys Limited may elect for all or part of the management and capital raising fee to be paid by the issue of Hazelwood Shares and Attaching Options on the same terms as the Entitlements Offer, subject to Hazelwood Shareholder approval.

#### **Computershare Investor Services Pty Limited**

Computershare Investor Services Pty Limited will assist the Company in the administration of the Offers. The Company will pay Computershare Investor Services Pty Limited approximately \$4,600 for these services.

### **7.3 Consents**

Each of the directors has given and has not withdrawn their consent to the issue of the Prospectus.

GMP Securities Australia Pty Limited and Hartleys Limited have given and have not withdrawn their consent to be named as Joint Lead Manager to the Offers. GMP Securities Australia Pty Limited and Hartleys Limited have not authorised or caused the issue of this Prospectus and therefore they take no responsibility for any part of the Prospectus other than references to their name.

Bennett + Co has given and has not withdrawn its consent to be named as legal advisers to the Offers. Bennett + Co has not authorised or caused the issue of this Prospectus and therefore takes no responsibility for any part of the Prospectus other than references to its name.

Computershare Investor Services Pty Limited has given and, as at the date hereof, has not withdrawn, its written consent to be named as Share Registrar in the form and context in which it is named. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registrar to the Company. Computershare Investor Services Pty Limited has not authorised or caused the issue of this Prospectus, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

#### **7.4 Share Trading History**

The Company's shares have been suspended from trading on ASX since 16 December 2014.

The last traded price of the Company's shares prior to suspension was \$0.019 on 12 December 2014.

#### **7.5 Litigation and Administrative Actions and other Claims**

The Company is not a party to any material litigation, nor are the directors aware of any potential or threatened litigation that is likely to have a material effect on the Company.

ATC is subject to the following administrative action in Vietnam. In September 2013 a competitor of ATC was granted a Utility Solution Patent in Vietnam for the manufacture of ferrotungsten. A Utility Solution Patent is a form of intellectual property protection unique to Vietnam. The patent holder alleges that ATC's manufacturing method infringes this utility solution. ATC and the Company strenuously deny this allegation and are providing information to the Ministry of Science and Technology Inspectorate of Vietnam to prove that ATC's manufacture does not infringe the Utility Solution. ATC is also seeking to have the Utility Solution Patent invalidated on the grounds of prior art and incorrect technical pleading. The Company does not believe that these matters are likely to have a material effect either on ATC or the Company (unless the infringement allegation is upheld) and expects ATC's position to be confirmed by the Ministry of Science and Technology Inspectorate of Vietnam in due course. There is a risk, however, that if the claims by the holder of the Utility Solution Patent is upheld against ATC that this may disrupt production at the ATC ferrotungsten plant and may also give rise to a monetary claim by the Utility Solution Patent holder against ATC.

In August 2011 the Company entered into a Deed of Release with Mr Mark McAuliffe, executive chairman of the Company at that time. The Company was subsequently advised that approximately \$225,000 of the termination payment could only be made in the event Hazelwood Shareholders approved the payment. The Company has not yet sought Shareholder approval and therefore Mr McAuliffe's claim pursuant to the Deed of Release has not been finalised.

## **7.6 Continuous Disclosure and Documents Available for Inspection**

The Company is a "disclosing entity" for the purposes of section 111AC and section 713 of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations which require it to disclose to the ASX any information of which it is, or becomes, aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities of the Company.

The Hazelwood Shares to be issued pursuant to this Prospectus are continuously quoted securities.

In general terms, prospectuses in relation to continuously quoted securities are only required to contain information in relation to the effect of the issue of securities on the Company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position and performance, profits and losses or prospects of the issuing company.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the Annual Financial Report for the Company for the financial year ended 30 June 2014, (being the last annual financial report to be lodged with ASIC in relation to the Company before the issue of this Prospectus);

- (ii) the Half Year Financial Report for the period ending 31 December 2014 (being a half year financial report lodged with ASIC after the lodgement of the Annual Financial Report and before the issue of this Prospectus); and
- (iii) all documents used to notify the ASX of information relating to the Company under the provisions of the ASX listing rules in the period since lodgement of the Annual Financial Report for the financial year ended 30 June 2014 and ending before the issue of this Prospectus.

## 7.7 Documents Incorporated in Prospectus

Pursuant to section 712 of the Corporations Act the following documents have been released to ASX and lodged with ASIC since the 2014 Annual Report was lodged, and are incorporated in this Prospectus. A copy of these documents can be obtained free of charge from the ASX website or from the Company by telephoning the Company on (08) 9320 5220 or emailing Hazelwood at [info@hazelwood.com.au](mailto:info@hazelwood.com.au) during the application period for the Prospectus:

Lodgement Date	Description of Document
1/10/2014	Initial Director's Interest Notice
21/10/2014	Notice of Annual General Meeting/Proxy Form
21/10/2014	AGM NOM Proxy and Annual Report Mailed to Shareholders
29/10/2014	Hazelwood Board and Management Change
29/10/2014	Final Director's Interest Notice
30/10/2014	Strategic Update – Letter from the Chairman
31/10/2014	Quarterly Activities and Cash Flow Report 30 September 2014
5/11/2014	Hazelwood Continues to Increase Tungsten Resource
7/11/2014	Mulgine Trench Resource Update Information
26/11/2014	Results of AGM and Director Resignation
27/11/2014	Final Director's Interest Notice
15/12/2014	Trading Halt
16/12/2014	Suspension from Official Quotation
22/12/2014	Extension of Voluntary Suspension
2/01/2015	Financing Update
22/01/2015	Placement to Raise up to \$1.1 Million
23/01/2015	Notice of General Meeting/Proxy Form
28/01/2015	Appendix 3B

<b>Lodgement Date</b>	<b>Description of Document</b>
2/02/2015	Quarterly Activities and Cash Flow Report 31 December 2014
13/02/2015	Appendix 3B
24/02/2015	Results of Meeting
26/02/2015	Financing Update
10/03/2015	Appendix 3B
16/03/2015	Change of Director's Interest Notice
1/04/2015	Financing Update
14/04/2015	Financing Update
22/05/2015	Financing Update
5/06/2015	Financing Update
16/06/2015	Financing Update
18/06/2015	Details of Company Address
01/07/2015	Notice of Extraordinary General Meeting / Proxy Form
31/07/2015	Quarterly Activities and Cash Flow Report 31 March 2015
06/07/2015	Half Year Accounts
07/07/2015	ATC Ferrotungsten Smelter Operations

If potential applicants require any further information in relation to the Company or the Offers, the directors recommend that potential subscribers take advantage of the ability to inspect or obtain copies of documents referred to above.



Abbreviation	Description
Application Monies	means payment for application for Hazelwood Shares and Attaching Options
Attaching Options	means Options to subscribe for Hazelwood Shares at an exercise price of \$0.015 on or before 9 March 2017
ASIC	means Australian Securities and Investments Commission
ASTC	means the ASX Settlement and Transfer Corporation Pty Ltd ABN 49 008 504 532
ASTC Settlement Rules	means the settlement rules of ASTC
ASX	means ASX Limited ABN 98 008 624 691
ASX Listing Rules	means the listing rules of ASX
ATC means	Asia Tungsten Products Limited, a company incorporated in Hong Kong with Company Registration No. 1385233
Business Day	means Monday to Friday inclusive except for public holidays and any other day that the ASX declares is not a business day
Company	means Hazelwood Resources Limited ACN 118 738 999
Convertible Note	means a convertible note convertible into Shares at \$0.005 per Share on or before 1 July 2018
Corporations Act	means the <i>Corporations Act 2001</i> as amended from time to time
Entitlement and Acceptance Form	means the entitlement and acceptance form accompanying this Prospectus for the Entitlements Issue Offer
Entitlements	means the entitlements of Hazelwood Shareholders to subscribe for Hazelwood Shares and Attaching Options under the Entitlements Issue Offer
Entitlements Issue Closing Date	5 August 2015 or such later date as the Company determines
Entitlements Issue Offer	means the offer of Hazelwood Shares and Attaching Options to Hazelwood Shareholders made pursuant to this Prospectus
Hazelwood	means Hazelwood Resources Limited ACN 118 738 999
Hazelwood Share	means a fully paid ordinary share in the capital of Hazelwood
Hazelwood Shareholder	means the holder of Hazelwood Shares on the Record Date
Joint Lead Manager	means GMP Securities Australia Pty Limited ACN 149 263 543 and Hartleys Limited ACN 104 195 057
Offers	means the Entitlements Issue Offer and the offer of any Shortfall

<b>Abbreviation</b>	<b>Description</b>
Option	means an option to subscribe for a Hazelwood Share
Prospectus	means this Prospectus
Quotation and Official Quotation	means official quotation on ASX
Record Date	means 15 July 2015
Share Registry	means Computershare Investor Services Pty Limited
Shortfall	means Hazelwood Shares not subscribed for by Hazelwood Shareholders pursuant to the Entitlements Issue Offer
Siderian Debt	means all monies owing by the Company to Siderian Resource Capital Limited