

9 July 2015

Dear Optionholder

Non-Renounceable Entitlements Issue

Hazelwood Resources Limited (**Company**) has announced a non-renounceable entitlements issue of up to approximately 1,167,136,635 Hazelwood Shares and 1,167,136,635 Attaching Options (**Entitlements Issue**) under which its shareholders will be offered 9 Hazelwood Shares and 9 Attaching Options (**New Shares**) for every 10 Hazelwood Shares held at 5.00pm on 15 July 2015 (**Record Date**) at a price of 1 cent per Hazelwood Share and an offer of any Entitlements Issue shortfall (**Offer**), with any fractional entitlements being rounded up.

The Offer can be accepted any time up to the Closing Date.

The New Shares will rank equally with any other fully paid ordinary shares of the Company, including in respect of dividends from the date of allotment.

GMP Securities Australia Pty Limited (ABN 46 149 263 543) and Hartleys Limited (ABN 33 104 195 057) have been appointed as joint Lead Managers to the Offer.

The Entitlements Issue will raise up to \$11,600,000 before costs and is subject to a minimum subscription of \$6,500,000. The funds will be used to raise capital to strengthen the Company's financial position, repay the Company's debt to Siderian Resource Capital Limited and provide working capital for operations at the ATC ferrotungsten plant owned by Hazelwood's 60% owned subsidiary, ATC.

Under the terms and conditions of the options that you currently hold, there is no entitlement to participate in the Entitlements Issue. In order to participate in the Entitlements Issue in relation to any options that you hold, you must exercise those options in accordance with the terms of your options, prior to the Record Date.

Please note that it is not compulsory to exercise your options. If you do wish to exercise your options, you may do so by completing all of the steps required by the terms and conditions of those options, including payment of the relevant exercise price.

Yours sincerely



Carol New
Company Secretary