

10 July 2015

Dear Shareholder

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.

As an Eligible Shareholder, we look forward to extending the Offer to you. We expect to dispatch the Prospectus and Entitlement and Acceptance Form to Eligible Shareholders on or around 20 July 2015.

As an Eligible Shareholder, you have a number of alternatives in relation to the Offer as set out in detail in the Prospectus including subscribing for your rights in whole or in part, subscribing for additional securities out of the shortfall, or allowing your rights to lapse. You should read the Prospectus carefully and seek professional investment advice before deciding what course of action to take.

A copy of the Prospectus was lodged with ASIC and ASX on 8 July 2015 and is available on the ASX website and the Prospectus is also available on the Company's website, www.hazelwood.com.au.

Existing optionholders may participate in the Offer upon exercise of their options. The Company sent a notice to its optionholders on 9 July 2015 to notify them of their right to participate in the Offer upon exercise of their options.

Key Dates and Rights Issue Timetable

Event	Date
Lodgement of Prospectus with ASIC and ASX	8 July 2015
Announcement of Offer and Application for Quotation	8 July 2015
Notice sent to Option Holders	9 July 2015
Notice sent to Shareholders	10 July 2015
Ex Date to determine rights	13 July 2015
Record Date to determine rights	15 July 2015
Prospectus and Entitlement and Acceptance Form despatched to eligible shareholders	20 July 2015
Last day to extend closing date	31 July 2015
Closing date of Offer *	5 August 2015
Deferred settlement trading of New Shares starts	6 August 2015
Company to notify ASX of under-subscriptions	10 August 2015
Issue of New Shares and Attaching Options	12 August 2015
Deferred settlement trading of New Shares ceases	12 August 2015
Dispatch of Holdings Statements	13 August 2015

* Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Entitlements Issue at their discretion. Should this occur, the extension will have a consequential effect on the subsequent dates in the timetable.

Yours sincerely



Carol New
Company Secretary