Quarterly Activities Report for the period ending 30 June 2015

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Status: ASX Listed Public Co.

ASX Code: HAZ

Details

Ordinary Fully Paid Shares	1,301,129,283
Unlisted Options 5c (30 Nov 2015)	15,000,000
Unlisted Options 25c (6 Aug 2015)	5,000,000
Unlisted Options 5.5c (27 Nov 2016)	139,571,432
Unlisted Options 1.5c (9 Mar 2017)	463,157,467
Unlisted Options $0.0116 (31 Jul 2018)	15,000,000
Unlisted Options $0.015 (31 Jul 2019)	75,000,000

Directors

Mark Warren	Executive Chairman
Pat Burke	Non Executive Director
John Chegwidden	Director & Joint Co. Sec.

Management

Mark Warren	Executive Chairman
George Chen	President, ATC
Carol New	CFO & Joint Co. Sec.
Martin McQuade	Operations Manager

Quarterly Activities Summary

- Finalized sales totalled approximately US$1.4 million.
- Convertible Note subscriptions provide A$1,650,000 working capital.
- Production recommenced in July 2015.
- The fall in ferrotungsten prices continued during the June 2015 quarter, the price at the end of the quarter was just above the $US28/kg which was above the ammonium paratungstate (APT) price.
- Safety performance continues to improve. The LTIFR for quarter is 0.0 and the MTIFR and FAIFR continues to fall with positive action continuing with training and awareness campaigns.
- Reinstatement to Quotation on ASX on 8 July 2015.
- Extraordinary General Meeting held on 31 July 2015.
- Entitlements Offer to raise a minimum of A$6.5 million.

QUARTERLY ACTIVITIES REPORT – JUNE 2015

ATC Ferrotungsten Project, Vietnam

Production Report

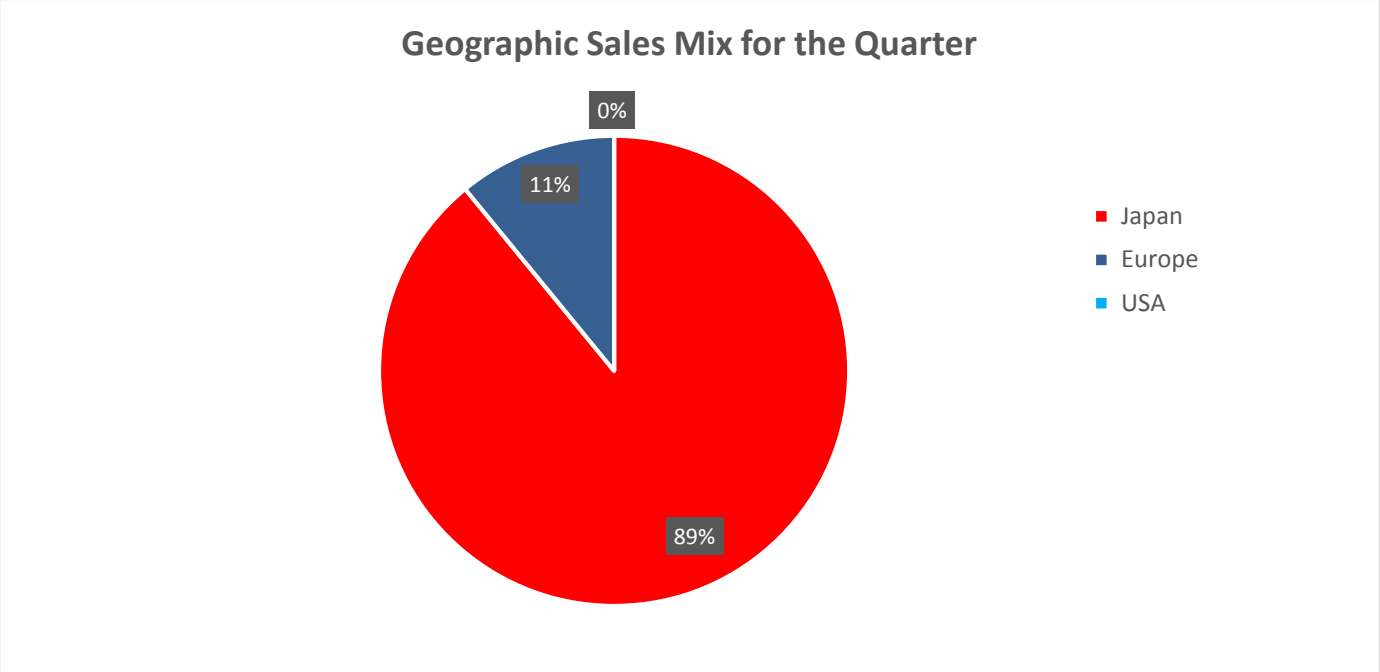
No production was undertaken during the June 2015 quarter, though ATC plans to resume limited concentrate purchasing and ferrotungsten production in the September 2015 quarter.

QUARTER ENDING		31 Mar 14	30 Jun 14	30 Sep 14	31 Dec 14	31 Mar 15
Ferrotungsten product lifted from furnace	tonnes FeW	243	247	274	0	88
Average FeW grade	% W	78.3	78.3	77.5	0	75.6
Concentrate utilised	tonnes	407	436	458	0	110

Product Sales

Provisional payment (80%) for the February 2015 production run was effected on bill of lading ex-Haiphong under the global sales agency agreement with Wogen during the quarter.

Sales during the quarter totalled approximately US$1.4 million. The product was distributed to a range of mainstream end-users in Japan and Europe.



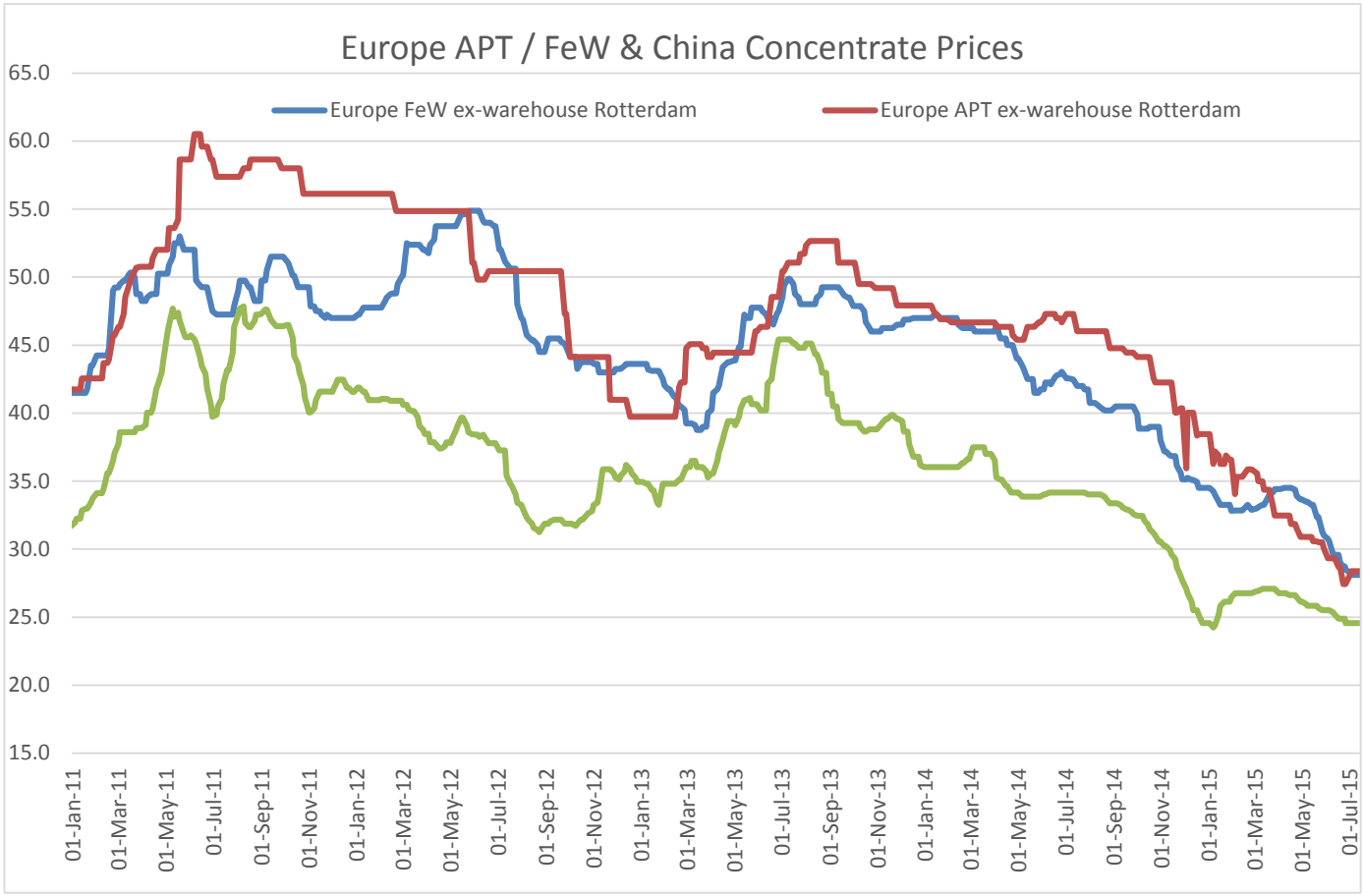
Settlement proceeds continued to be received subsequent to the end of the quarter.

QUARTERLY ACTIVITIES REPORT – JUNE 2015

Tungsten Market & Feedstock Procurement

The ferrotungsten price continued to fall during the June 2015 quarter. The ferrotungsten price was quoted just above the $US28/kg price at the end of the quarter (Metal Bulletin).

The spread between ammonium paratungstate (APT) and ferrotungsten price continued to narrow over the quarter.



Environment

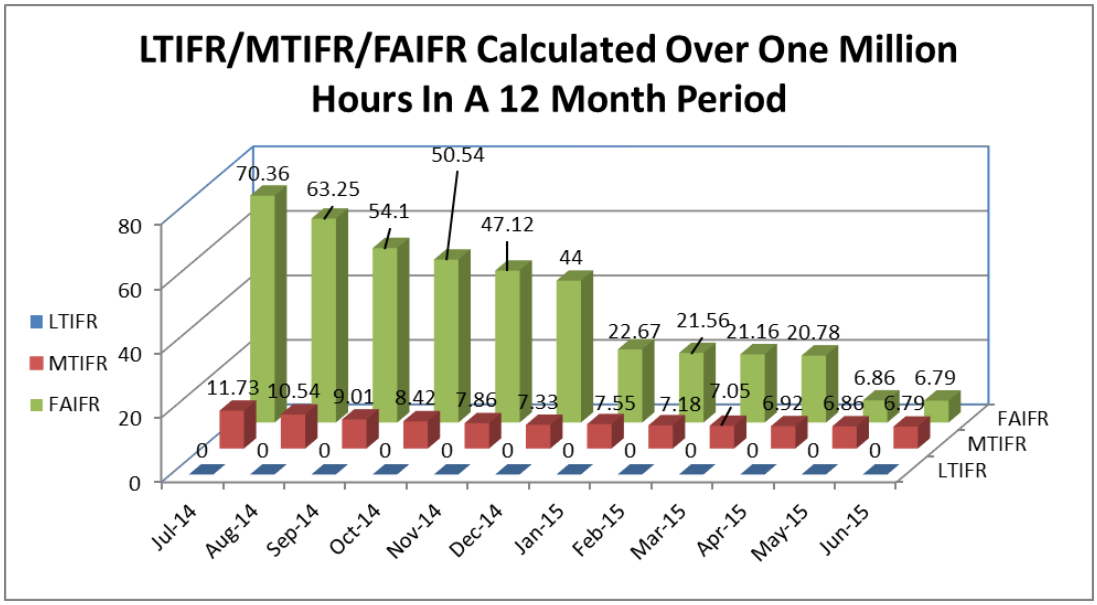
Hazelwood continue to maintain and show a strong commitment to the protection of the environment in all its operations.

All results from environmental testing have shown that Hazelwood has met all environmental obligations set by governing bodies.

Hazelwood, and its majority owned subsidiary, Asia Tungsten Products Company has completed external environmental monitoring in its Vietnam operations in the June 2015 quarter, results were very pleasing with DBA's being reduced in some working areas due to working procedures being changed. Airborne contaminants were also reduced due to works carried out on dust control systems.

QUARTERLY ACTIVITIES REPORT – JUNE 2015

Safety



Hazelwood's **LTIFR** sits at **0.0** due to no recordable LTI's for the twelve month period. No LTI's were recorded for the 4th quarter.

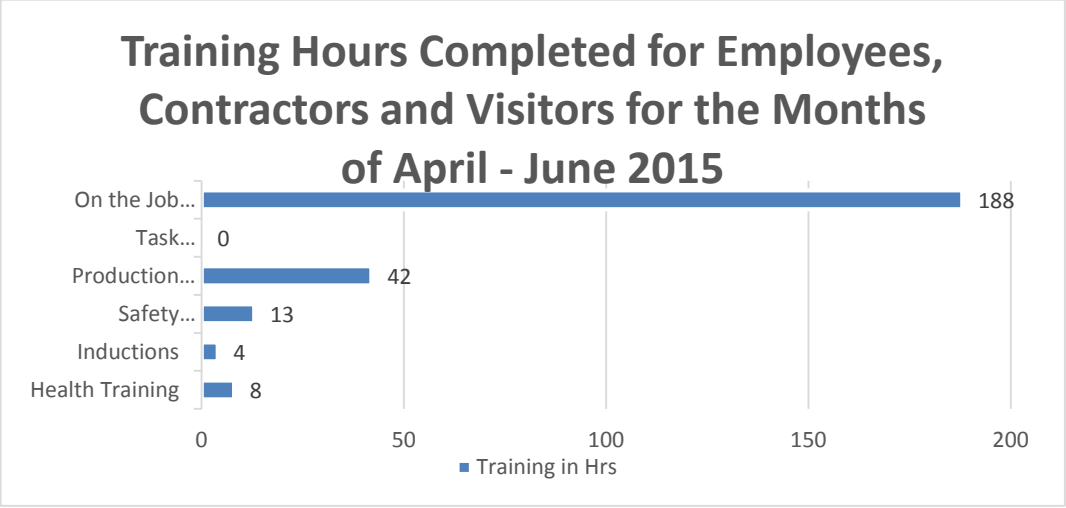
Hazelwood's **MTIFR** sits at **6.79** with one recorded medical treated injury in the twelve month period. No MTI's were recorded for the 4th quarter.

Hazelwood's **FAIFR** is **6.79** with one recorded first aid treated injury for the twelve month period. No FAI's were recorded for the 4th quarter.

Our overall **TRFIR** (Total Recordable Frequency Injury Rate) sits at **1.35** for every one million hours worked over a twelve month period.

The Data collected is based on 147,095 hours worked over a twelve month period.

Training



Training employees to complete their tasks safely and competently has continued to be a priority for the Hazelwood and ATC management teams.

First Aid/Emergency training for its employees has continued to be a focus for Hazelwood and ATC management teams.

Australian Projects

Exploration Overview

Hazelwood Resources Ltd has tungsten Resources on tenements around Mt Mulgine in the Yilgarn (Mulgine Hill and Mulgine Trench) and in the Pilbara (Big Hill at Cookes Creek), Western Australia (Fig. 1). Most exploration past and planned is for tungsten, but the Pilbara tenements are also prospective for copper-zinc, gold and nickel.

Table 1. Hazelwood Resources Ltd tungsten Resources[1].

Mulgine Trench (Mt Mulgine) JORC 2012 compliant				
Category	Million Tonnes	% WO_3	MTU (Metric tonne units) WO_3	Contained tungsten W tonnes
Indicated	**0.4**	**0.14**	**50,000**	**400**
Inferred	**63.4**	**0.17**	**11,050,000**	**87,600**
Mulgine Hill (Mt Mulgine) JORC 2004 compliant				
	Million Tonnes	% WO_3	MTU WO_3	Contained tungsten W
Indicated	**5.9**	**0.22**	**1,300,000**	**10,300**
Inferred	**2.3**	**0.17**	**400,000**	**3,200**
Big Hill (Pilbara) JORC 2004 compliant				
	Million Tonnes	% WO_3	MTU WO_3	Contained tungsten W
Measured	**9.5**	**0.16**	**1,540,000**	**12,200**
Indicated	**4.5**	**0.16**	**700,000**	**5,600**
Inferred	**2.2**	**0.14**	**300,000**	**2,400**
Total Tungsten Mineral Resource				
	Million Tonnes	% WO_3	MTU WO_3	Contained tungsten W
Total	**88.2**	**0.17**	**15,340,000**	**121,700**

[1] Refer ASX announcement 5 November 2014," Hazelwood continues to increase tungsten resource"

QUARTERLY ACTIVITIES REPORT – JUNE 2015

Figure 1: Location of HAZ projects

Mt Mulgine

At Mt Mulgine, Hazelwood has 100% of the rights to tungsten and molybdenum Resources, with two Resources defined at Mulgine Hill and Mulgine Trench. Tungsten anomalism is widespread and Mulgine Trench is open along strike in both directions, up- and down-dip. There is potential for increases in the size of these already significant Resources. However, Hazelwood plans to conduct further exploration to better define zones of high-grade tungsten (Mulgine Trench and Mulgine Hill) and to upgrade the Mulgine Hill Resources to JORC 2012 compliance.

Mulgine Trench

The Mulgine Trench is an exoskarn vein-hosted tungsten deposit. Tungsten-bearing veins are parallel to foliation within a sequence of metavolcanic rocks, including meta-andesite, meta-basalt, mafic schist and pyroxenite rocks. Mulgine Trench has a Resource of **63.8 Mt @ 0.17% WO3** (0.1% cut-off grade, ASX Announcement 5th November 2014, JORC 2012 compliant).

At Mulgine Trench, SJS, on behalf of Hazelwood are carrying-out research into the probability of significant tungsten mineralisation in the weathered (oxide) zone. Currently, tungsten in the oxide zones is poorly understood. The tungsten-bearing mineral in the hard rock is scheelite easily recognised by its fluorescence when illuminated with a UV lamp, but in the oxide zone tungsten occurs as a weathering product that does not fluoresce. Legacy diamond drilling pre-collared through the oxide zone, therefore tungsten in the oxide appears to gone unnoticed and untested. Up-dip near-surface extensions of known mineralisation are the primary target for drilling.

Mulgine Trench is open in all directions and there is significant potential for up-dip extension into the oxide zone along the entire strike length of the deposit. The Resource block model of Mulgine Trench highlights a number of higher-grade areas of tungsten mineralisation, all within 100m of the surface (Fig. 4). A total of 21 drill holes have been planned to assess the grade of these segments of the deposit by drilling at a closer spacing with the expectation to upgrade parts of the deposit from Inferred to Indicated status.

Mulgine Hill

Mulgine Hill is an endoskarn (minor exoskarn) tungsten deposit located at the contact of the Mulgine leucogranite and surrounding mafic schist and ultramafic rocks. Scheelite occurs in both the granite and mafic schist as large clots and fine disseminated grains. The granite close to the contact is greisenised and resembles a quartz-muscovite schist. Mulgine Hill has a Resource of **8.2Mt** @ **0.21% WO3** (0.1% cut-off; ASX Announcement 1st March 2011, JORC 2004 compliant).

Recent studies by SJS Resource Management (SJS) indicate that Mulgine Hill has the opportunity to host significant shallow high-grade areas of tungsten mineralisation, which could be exploited via underground or open pit operations (Fig. 3). The high-grade horizons are sub-horizontal lenses located on the boundary of greisenised granite and mafic schist. Close-spaced drilling has been designed to target a significant known area of higher grade legacy results (approximately 200m x 250m in size). Forty-seven holes are planned for 3500m to fully test the grade of this zone.

Following drilling, Hazelwood Resources plan to complete the geology, QA/QC and compliance tasks necessary to convert the Resource from JORC 2004 to JORC 2012 compliant.

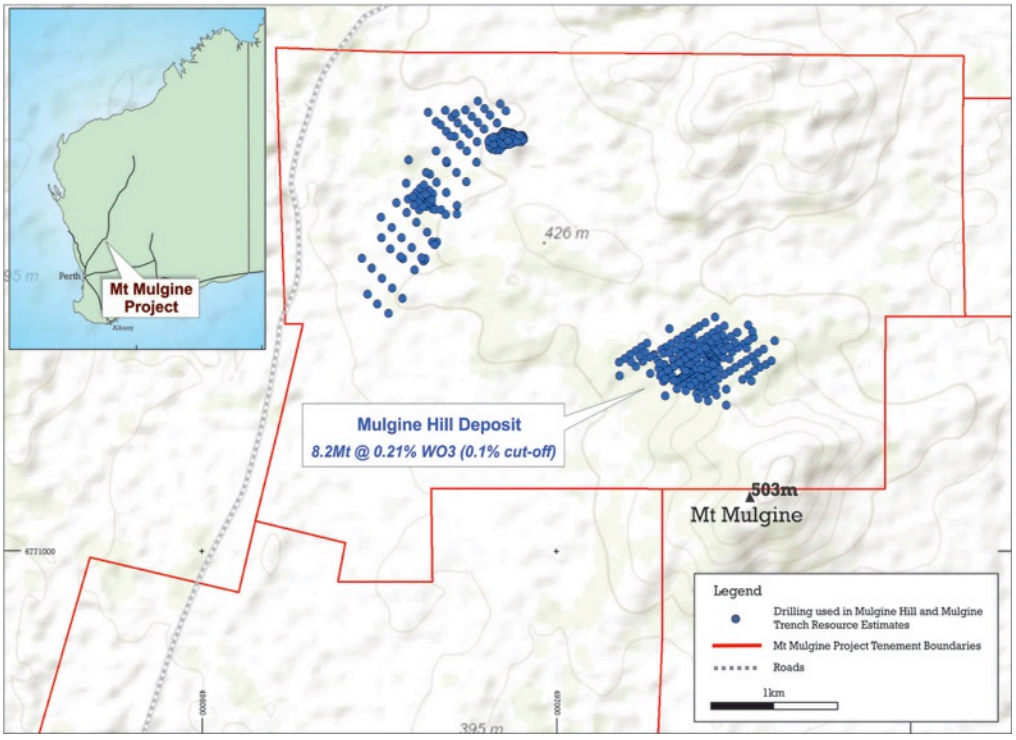


Figure 2: Location of Mulgine Trench and Mulgine Hill deposits at Mt Mulgine

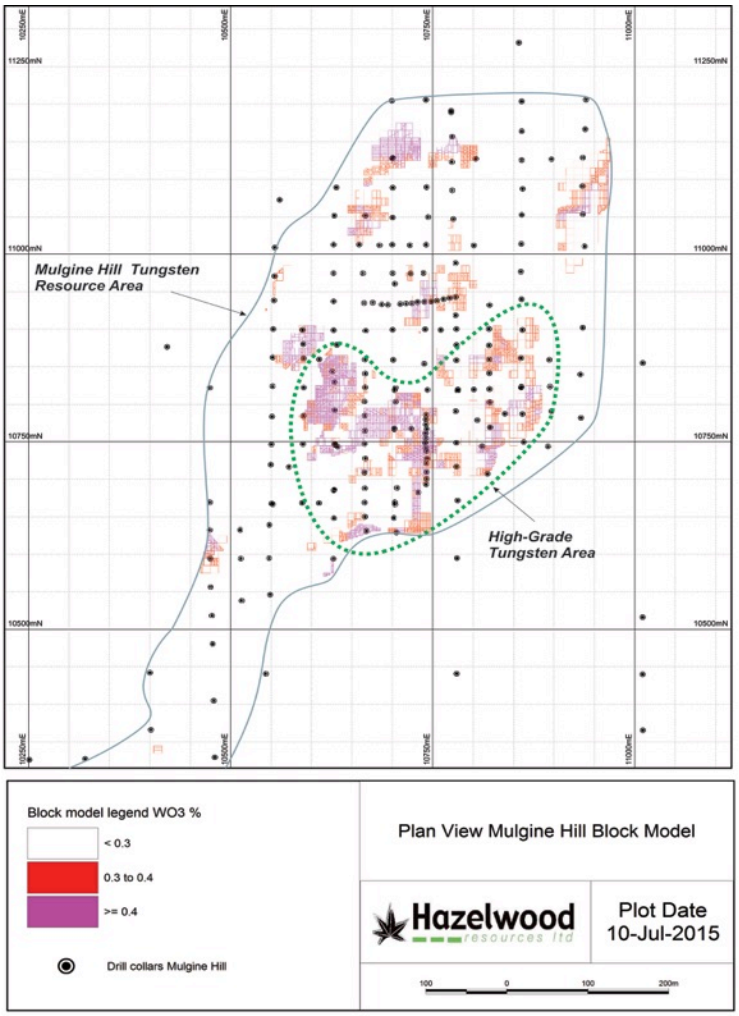


Figure 3: High-grade target area for further testing at Mulgine Hill

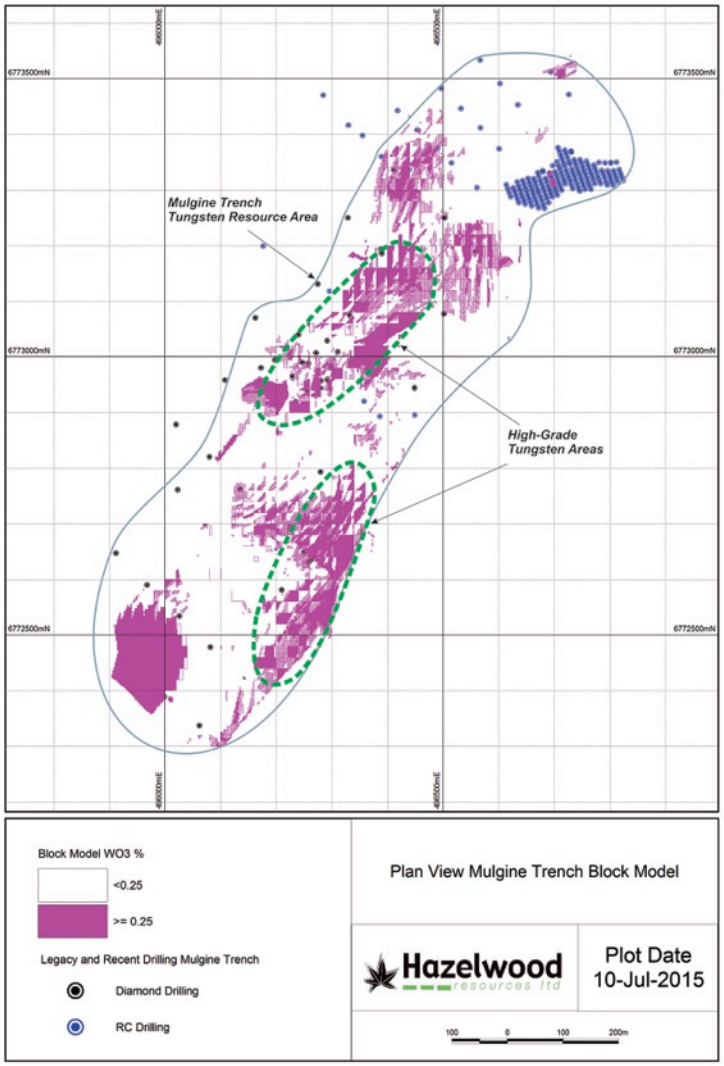


Figure 4: High-grade target areas for further testing at Mulgine Trench

Big Hill and Cookes Creek (Pilbara)

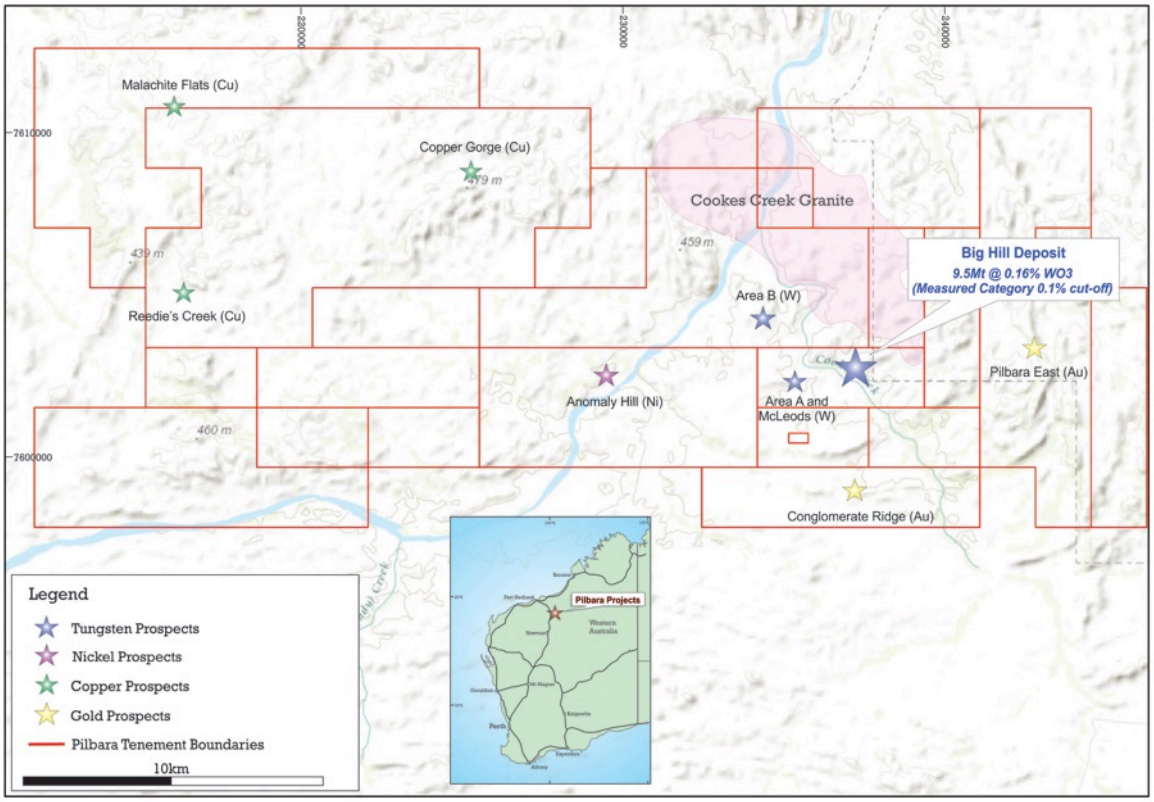


Figure 5: Prospect locations at Cookes Creek tenement package.

Big Hill (100%)

Big Hill is an exoskarn vein-hosted tungsten deposit with tungsten found as large crystals in thick quartz veins (Fig. 5). Tungsten is primarily within brecciated veins oriented perpendicular to the layering of the surrounding rocks. These veins are concentrated within a tremolite-rich horizon of an ultramafic intrusion with pyroxenite in the footwall position and dolerite in the hangingwall. Big Hill has a Resource of **9.1Mt** @ **0.16% WO_3** (0.1% cut-off, ASX announcement 26th March 2010, JORC 2004 compliant).

At Big Hill, Hazelwood and SJS will conduct a detailed review of the Resource including sample quality and variance, as a prelude to an upgrade to JORC 2012 compliant status.

Copper Gorge (70%)

Copper Gorge is a copper-zinc volcanogenic massive sulphide target into which the company has drilled a single diamond core drill hole 13CGDD001 designed to test the prominent HOISTEM anomaly at Copper Gorge (Figs 5 & 6). The assays received indicate **13m** @ **0.35% Cu,** from 257m, including **5m** @ **0.7% Cu** (ASX announcement 12th March 2013). The intersect is within a sequence of intermediate to mafic volcanic rocks, overlain by intermediate to felsic volcanic rocks, prominent monomictic to polymictic breccia, the Strelley Pool chert, and hangingwall intermediate volcanic rocks. There are local graphitic black shale horizons logged at different levels of the sequence, from 70 to 235m. The main mineralisation horizon is within a monomictic and polymictic breccia, more than 60m thick. The mineralisation is mostly chalcopyrite with minor pyrite, sphalerite and pyrrhotite. Alteration is locally intense and complex, comprising chlorite-sericite-quartz-albite-epidote.

The results of this drilling encouraged Hazelwood to continue exploration for volcanogenic massive sulphide (VMS) copper-zinc-gold mineralisation. In October 2014 a fixed loop electro-magnetic survey (FLEM) and a downhole electromagnetic survey (DHEM) was completed at the Copper Gorge area. Five plates were modelled relative to DEM of the area. Two plates are located within a fault block untested by previous drilling. SJS have planned two diamond drill holes that would sufficiently test the fault block and EM plates for the presence of copper mineralised breccia.

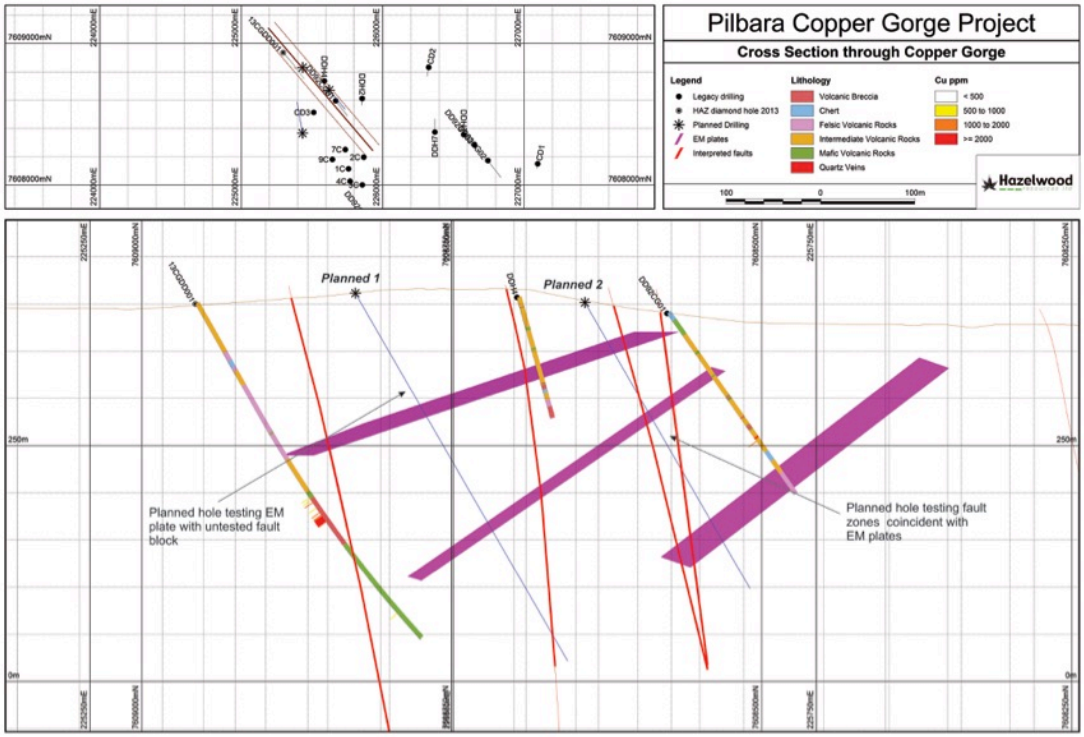


Figure 6: Cross-section through Copper Gorge prospect

Malachite Flats (70%)

Like Copper Gorge, Malachite Flats is a volcanogenic massive sulphide target. The geology at Malachite Flats consists of ferruginous basalts overlying intermediate to felsic volcanic rocks. Within the ferruginous basalts are ferruginous chert and copper carbonate veins and old workings exploiting these veins. Copper carbonates around the old workings are distributed in veins along fractures which likely represent remobilisation of copper from a source located lower down in the stratigraphy (Fig. 7). There is untested potential for locating the source of surface copper carbonate veins (Fig. 8).

In October 2014 a FLEM survey was completed at the Malachite Flats area. Nine plates were modelled relative to DEM of the area. All the plates coincide, or are adjacent to clusters of soil sampling copper anomalies. SJS have planned a series of shallow RC holes to test the new targets.

Figure 7: Copper carbonate veins located in ferruginous basalt at Malachite Flats

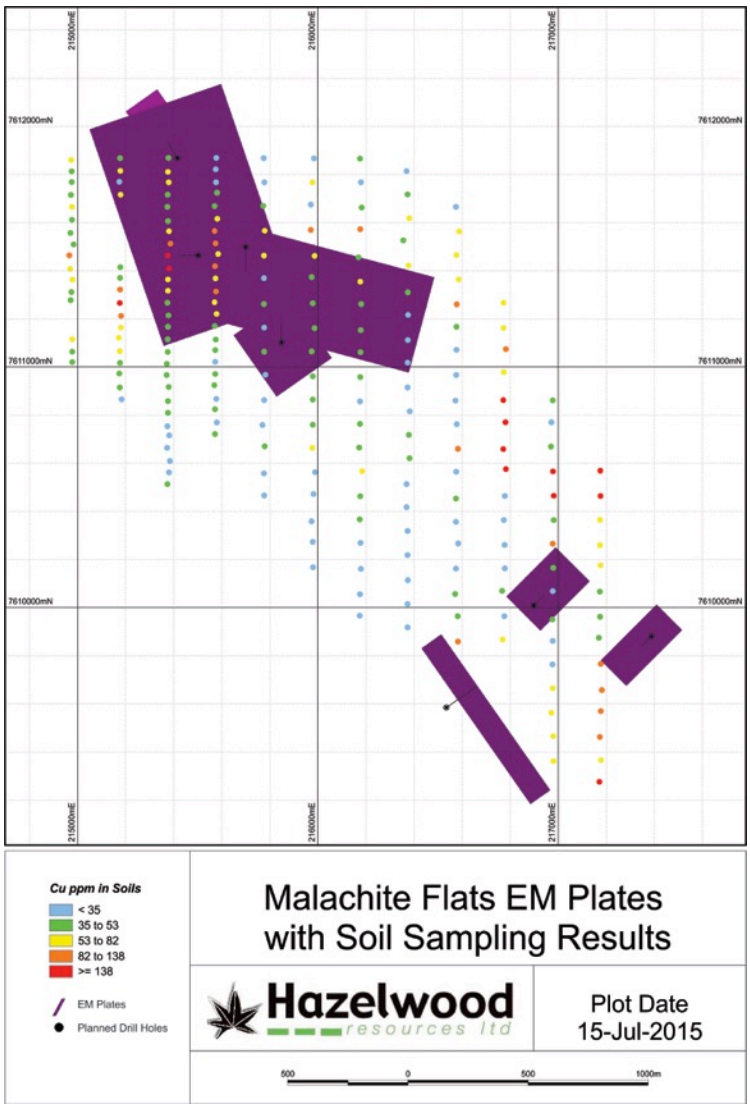


Figure 8: Soil sampling results with EM plates at Malachite Flats

Pilbara East

SJS compiled an overview of Hazelwood's eastern-most tenements in the Pilbara, E46/815 and E45/3199. The southern part of the tenement area is characterised by positive legacy regional soil sampling gold results, which require detailed geology field mapping, infill and follow-up soil sampling around the most pronounced anomalies. Gold anomalies are located both in mafic and sedimentary rocks. Legacy stream sampling by numerous parties also highlights anomalous gold values, however the tenement package is not systematically sampled and there are domains showing anomalous gold values, needing infill by stream sediment sampling.

Competent Person Statement:

Competent Person Statement:

QUARTERLY ACTIVITIES REPORT – JUNE 2015

The information in this report that relates to Exploration Results and Resources are based on information compiled by Julian Vearncombe BSc PhD FGS FSEG RPGeo who is also a Fellow of the Australian Institute of Geoscientists. J. Vearncombe is a full-time employee of SJS Resource Management Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. J. Vearncombe consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Corporate

Convertible Note Subscriptions

During the June 2015 quarter, Hazelwood completed the first stage of its recapitalisation plan through the receipt of A$1,650,000 in loan funds. Following shareholder approval at the General Meeting conducted on 31 July 2015, the Company has issued Convertible Notes to the lenders. The notes are convertible at $0.005 per share on or before the expiry date of 1 July 2018. The interest rate is 12% and interest is payable twice yearly on 31 December and 30 June.

Entitlement Issue

The second stage of Hazelwood's recapitalisation plan involves the conduct of a 9 for 10 pro rata Entitlement Issue at $0.01 per share to raise up to A$11.6 million, subject to a minimum subscription of $6.5 million. Shareholders will also receive one free option, exercisable at $0.015 each on or before 9 March 2017, for every share they take up in the Entitlements Issue. These funds will be used to repay the Siderian Debt Facility and other creditors and to provide working capital for operations at Hazelwood's 60% owned ATC ferrotungsten plant in Vietnam. The Entitlement Issue document was sent to shareholders on 20 July 2015.

GMP Securities Australia Pty Ltd and Hartleys Limited acted as lead managers to the Convertible Notes issue and are jointly managing any shortfall of the Entitlements Issue.

Siderian Debt Facility

On 5 June 2015, Siderian Resource Capital Limited (Siderian) granted a forbearance for repayment of the US$4 million debt facility until 25 September 2015.

Reinstatement to ASX Quotation

Hazelwood's securities were reinstated to quotation on 8 July 2015.

QUARTERLY ACTIVITIES REPORT – JUNE 2015

About Hazelwood

Hazelwood Resources Limited (ASX: HAZ) is a specialty metals producer with a majority ownership interest in the ATC Ferrotungsten Project in Vietnam, the largest and most advanced facility of its type in the world.

Ferrotungsten is used in the production of high speed steels, tool steel and temperature resistant alloys. High quality product from ATC meets the specifications of the Japanese and European markets and can be produced from a range of different feedstock sources. ATC is an accredited smelter listed on table one of the e EICC - GeSI Conflict Free Smelter (CFS) program.

Hazelwood also owns two significant primary tungsten projects in Western Australia. The Big Hill and Mt Mulgine Projects offer the potential for a vertically integrated tungsten business in the future.

Hazelwood also has significant exposure to nickel sulphides and base metals exploration through its 100% owned Cookes Creek and Copper Gorge (HAZ 70% Atlas Iron 30%) areas in the East Pilbara of Western Australia.

Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

HAZELWOOD RESOURCES LTD

ABN	Quarter ended ("current quarter")
88 118 738 999	30 June 2015

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (12 months) $A'000
1.1	Receipts from product sales and related debtors	339	11,302
1.2	Payments for (a) exploration & evaluation	(122)	(1,070)
	(b) development	Nil	Nil
	(c) production	(298)	(10,709)
	(d) administration+ marketing	(548)	(2,546)
1.3	Dividends received	Nil	Nil
1.4	Interest and other items of a similar nature received	3	9
1.5	Interest and other costs of finance paid	(353)	(909)
1.6	Income taxes paid	Nil	Nil
1.7	Other – Costs associated with Vietnam production	(221)	(915)
	Net Operating Cash Flows	(1,200)	(4,838)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects	Nil	Nil
	(b) equity investments	Nil	Nil
	(c) other fixed assets	Nil	(105)
1.9	Proceeds from sale of: (a) prospects	Nil	Nil
	(b) equity investments	Nil	Nil
	(c) other fixed assets	Nil	40
1.10	Loans to other entities	Nil	Nil
1.11	Loans repaid by other entities	Nil	Nil
1.12	Other (provide details if material)	Nil	Nil
	Net investing cash flows	Nil	(65)
1.13	Total operating and investing cash flows (carried forward)	(1,200)	(4,903)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(1,200)	(4,903)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	Nil	1,063
1.15	Proceeds from sale of forfeited shares	Nil	Nil
1.16	Proceeds from borrowings	1,650	1,650
1.17	Repayment of borrowings	Nil	Nil
1.18	Dividends paid	Nil	Nil
1.19	Other (provide details if material)	Nil	Nil
	Net financing cash flows	1,650	2,713
	Net increase (decrease) in cash held	450	(2,190)
1.20	Cash at beginning of quarter/year to date	237	2,877
1.21	Exchange rate adjustments to item 1.20	Nil	Nil
1.22	**Cash at end of quarter**	687	687

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	81
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

N/A

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	5,224	5,224
3.2	Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	200
4.2	Development	-
4.3	Production	6,000
4.4	Administration	600
	Total	**6,800**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	687	237
5.2	Deposits at call	Nil	Nil
5.3	Bank overdraft	Nil	Nil
5.4	Other (provide details)	Nil	Nil
	Total: cash at end of quarter (item 1.22)	687	237

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

		Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	N/A	N/A		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	N/A	N/A		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*	N/A	N/A		
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	N/A	N/A		
7.3	**+Ordinary securities**	1,296,818,483	1,296,818,483		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	Nil Nil	Nil Nil		
7.5	**+Convertible debt securities** (*description)*	N/A	N/A		
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	N/A	N/A		

+ See chapter 19 for defined terms.

7.7	**Options** *(description and conversion factor)*	5,000,000 15,000,000 139,571,432 78,846,667	Nil Nil Nil Nil	*Exercise price* 25 Cents 5 Cents 5.5 Cents 1.5 Cents	*Expiry date* 6 August 2015 30 November 2015 27 November 2016 9 March 2017
7.8	Issued during quarter	Nil	Nil		
7.9	Exercised during quarter	Nil	Nil		
7.10	Expired during quarter	Nil	Nil		
7.11	**Debentures** *(totals only)*	Nil	Nil		
7.12	**Unsecured notes** *(totals only)*	Nil	Nil		

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does /does not* *(delete one)* give a true and fair view of the matters disclosed.

Sign here: ..... Date: 31 July 2015
(Director/Company secretary)

Print name: John Chegwidden

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

6 The quarterly report has being prepared on a consolidated basis and includes all the subsidiaries (including the 60% owned Asia Tungsten Products Co Ltd (ATC) that operates in Hong Kong & Vietnam).

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+ See chapter 19 for defined terms.