

HAZELWOOD RESOURCES LIMITED
ACN 118 738 999

PROSPECTUS

For a renounceable entitlements issue on the basis of 4 Hazelwood Shares for every 1 Hazelwood Share held by Hazelwood Shareholders and 4 Hazelwood Shares for every 1 Hazelwood Share that would be held by Hazelwood Convertible Noteholders if the face value of their Convertible Note had been converted at an application price of 0.1 cent per Hazelwood Share to raise up to approximately \$7,407,700 and an offer of any entitlements issue shortfall

The Offers are underwritten to an amount of \$3,000,000

Lead Manager and Underwriter
GMP Securities Australia Pty Limited

CORPORATE DIRECTORY

Directors	Mr Mark Warren (Executive Chairman) Mr Patrick Burke (Non-Executive Director) Mr John Chegwidden (Non-Executive Director)
Company Secretaries	Mr John Chegwidden 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
Lead Manager and Underwriter	GMP Securities Australia Pty Limited Level 9, 190 St Georges Terrace PERTH WA 6000
Key Dates	
Announcement of Entitlements Issue	26 October 2015
Lodgement of Prospectus with ASIC	30 October 2015
Quotation of shares on “ex” basis	5 November 2015
Rights trading starts	5 November 2015
Record Date to determine entitlements	9 November 2015
Dispatch of Prospectus	12 November 2015
Rights trading ends	25 November 2015
Acceptances close	2 December 2015
Notice to ASX of under-subscriptions	7 December 2015
Issue of shares	9 December 2015
Last date for placement of shortfall	2 March 2016
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 30 October 2015 and a copy was lodged with ASIC on 30 October 2015. The expiry date of the Prospectus is 30 October 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

As you would be aware, Hazelwood has undertaken a process to raise additional capital to refinance the Company's existing debt and provide financial stability to realise the strategic value of our 60% owned ATC ferrotungsten plant in Vietnam.

This process coincided with a period of equity market volatility and challenging conditions for the tungsten sector.

Despite these challenges, I am pleased to report that Hazelwood has secured new funding and a revised repayment schedule with our secured creditor Siderian Resource Capital, which is expected to provide the foundations to reinvigorate the Company and deliver future growth for Shareholders.

The funding plan involves an issue of convertible notes to sophisticated investors together with an entitlements issue offered to all Shareholders.

The Entitlements Issue Offer is being undertaken at an issue price of \$0.001 per Share, providing Shareholders the opportunity to maintain their pro-rata ownership or apply for additional Shares at a 75% discount to the last traded price of Hazelwood Shares on ASX prior to the announcement of the Offers. The Entitlement Issue Offer is partly underwritten by GMP Securities Australia Pty Limited, with further details outlined in this Prospectus.

Hazelwood is committed to delivering value from ATC. The recent award of sales contracts from three prestigious Japanese customers re-affirms the demand for premium-grade ferrotungsten from ATC and provides a strategic opportunity to expand future production into the Japanese market.

The successful completion of this Entitlements Issue Offer will assist Hazelwood to capitalise on its valuable position as a specialty metals producer in Asia.

On behalf of the Board I wish to thank Shareholders for their patience throughout this challenging period and appreciate your ongoing support.

Please read this Prospectus in detail and contact your professional advisor if you have any queries.

Yours faithfully

Mark Warren
Chairman

2.1 Offer Highlights

Attractively Priced

- Opportunity for Shareholders to participate in the Company's recapitalisation and potential future growth.
- Attractively priced to enable Shareholders to maintain their pro-rata interest in the Company and the opportunity to apply for additional Shares.
- Entitlements Issue Offer price of 0.1¢ per Share values the current issued Shares in Hazelwood at only approximately \$1.3 million.
- Offer price represents a discount of 75% to last traded price prior to announcement of Offers.

Strategic Ownership in ATC Ferrotungsten Plant

- Hazelwood has a 60% interest in the ATC ferrotungsten plant in Vietnam.
- Modern, globally significant ferrotungsten plant.
- Production resumed and expected to increase following completion of Offers.
- Awarded sales contracts with three prestigious Japanese customers. Contracted volumes represent approximately 55% of planned production over next 5 months, re-affirms the premium-grade ferrotungsten produced at ATC.
- Operational efficiencies and cost savings implemented.

Realising Value from WA Tungsten Projects

- Agreement to sell two tungsten deposits in Western Australia to ASX listed Tungsten Mining NL for \$1,000,000 cash and 5,000,000 shares in Tungsten Mining NL, subject to due diligence.
- Shareholding in Tungsten Mining NL will enable Company to retain exposure to the WA projects as well as to Tungsten Mining NL's Kilba project in WA.

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:

- Upon completion of the Offers the Company will have secured debt of approximately \$2.7 million due for repayment on or before 30 June 2016 and secured Convertible Notes with a face value of \$3 million due for conversion or repayment on or before 1 July 2018. There is a risk that the Company may not be able to fund repayment of its secured debt facilities in which case the lenders may be entitled to exercise their security over the Company's assets which may lead to assets being disposed of for less than their carrying value in the accounts of the Company and the process of realisation may not be sufficient to repay the secured debts.
- The Underwritten amount of the Entitlements Issue Offer will enable Hazelwood to make the first payment to Siderian Resource Capital in accordance with the revised repayment schedule and thereby significantly reduce the amount owing

pursuant to the Siderian Debt. There is a risk that if the Company does not raise more than the Underwritten amount under the Offers, the Company may need to seek alternative financing to provide short-term working capital. Any additional equity financing will dilute shareholders, and debt financing may involve restrictions on business strategy and financing and operating activities.

- 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 shareholders, 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.
- 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 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.
- Exchange rate volatility may adversely impact the Company, particularly volatility in relation to the repayment of the Siderian Debt which is denominated in \$US.
- 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 on the basis of 4 Hazelwood Shares for every 1 Hazelwood Share held by Hazelwood Shareholders and 4 Hazelwood Shares for every 1 Hazelwood Share that would be held by Hazelwood Convertible Noteholders if the face value of their Convertible Note had been converted at an application price of 0.1 ¢ per Hazelwood Share to raise up to approximately \$7,407,700 and an offer of any entitlements issue shortfall. 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 7,407,699,600 Hazelwood Shares will be offered to Hazelwood Shareholders to raise approximately \$7,407,700.

The Entitlements Issue Offer is underwritten to an amount of \$3,000,000, representing 3,000,000,000 Hazelwood Shares.

The number of Hazelwood Shares 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 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	2 December 2015
(2) Sell all or part of your Entitlements on ASX	Contact your stockbroker and provide details as requested which appear on the accompanying Entitlement and Acceptance Form	25 November 2015
(3) Subscribe for all of your Entitlements and apply for additional Hazelwood Shares 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	2 December 2015
(4) Subscribe for part of your Entitlements and sell the balance on ASX	Make payment by BPAY or complete the accompanying Entitlement and Acceptance Form in relation to the amount you want to subscribe and send it to the Share Registry	25 November 2015

Your Choices	Specific Action Required	By When
	And Contact your stockbroker and provide details as requested which appear in the accompanying Entitlement and Acceptance Form	
(5) 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	2 December 2015
(6) Not subscribe for any of your Entitlements and allow them to lapse	Do nothing	Not applicable

The Company will also allow Hazelwood Shareholders and Hazelwood Convertible Noteholders (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 and no applications will be accepted that would result in any person acquiring voting power in Hazelwood of greater than 20% except as permitted by the Corporations Act. If all Hazelwood Shareholders do not take up their Entitlements in full the Underwritten Shortfall (if any) will be allocated at the discretion of the Underwriter. To the extent that existing Hazelwood Shareholders and Hazelwood Convertible Noteholders apply for additional shares and these applications are not satisfied out of the Underwritten Shortfall, they will be satisfied from the remaining Shortfall to the extent that it is sufficient to satisfy all applications.

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 2 December 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 or your stockbroker or professional adviser.

3.2 **Shortfall**

The Shortfall will be dealt with by the Company on the following basis.

Hazelwood Shareholders and Hazelwood Convertible Noteholders (other than the directors or their controlled entities) are entitled 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 and no applications will be accepted that would result in any person acquiring voting power in Hazelwood of greater than 20% except as permitted by the Corporations Act.

If all Hazelwood Shareholders do not take up their Entitlements in full the Underwritten Shortfall (if any) will be allocated at the discretion of the Underwriter. To the extent that existing Hazelwood Shareholders and Hazelwood Convertible Noteholders apply for additional shares and these applications are not satisfied out of the Underwritten Shortfall, they will be satisfied from the remaining Shortfall to the extent that it is sufficient to satisfy all applications.

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 a significant portion of 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 and the Convertible Note Capital Raising as follows:

Details	Underwritten Amount	Fully Subscribed
Repayment of principal due under the Siderian facility ¹	\$2,739,726	\$2,739,726
Interest and fees due under the Siderian facility ²	\$545,205	\$545,205
Fees payable to the Underwriter	\$180,000	\$444,462

Details	Underwritten Amount	Fully Subscribed
Estimated costs of the Offers ³	\$50,000	\$60,000
Working capital including payment of trade creditors	\$605,069	\$1,238,307
ATC tungsten concentrate purchases	\$0	\$3,500,000
Total	\$4,120,000	\$8,527,700

¹ USD \$2 million @ AUD/USD exchange rate = 0.73

² AUD/USD exchange rate for interest component = 0.73

³ 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 Underwriter.

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 pursuant to the Offers, assuming the Offers are fully subscribed, the issue of Convertible Notes under the Convertible Note Capital Raising and the issue of Shares and Convertible Notes to creditors in the event Shareholder approval is obtained at the 2015 AGM.

The Company may also issue further Shares at the Offer price and/or Convertible Notes convertible to Shares at the Offer price to creditors who elect to accept payment in Shares and/or Convertible Notes, subject to Shareholder approval at the 2015 AGM.

ORDINARY SHARES	AMOUNT
Hazelwood Shares Currently on issue	1,341,924,900
Hazelwood Shares to be issued pursuant to Offers	7,407,699,600
Hazelwood Shares to be issued in lieu of capital raising fees	67,200,000 ¹
Hazelwood Shares on issue after the Offers and AGM	8,816,824,500

¹ Issue of Hazelwood Shares to GMP Securities Australia Pty Limited (or its nominee) in lieu of cash fees in respect of Convertible Note Capital Raising subject to approval of Hazelwood Shareholders at 2015 AGM to be held in December 2015.

OPTIONS	AMOUNT
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	483,157,465
Options exercisable at \$0.0116 on or before 30 July 2018	15,000,000
Options exercisable at \$0.015 on or before 31 July 2019	75,000,000
Total Options currently on issue	727,728,897

CONVERTIBLE NOTES	AMOUNT
Convertible Notes with face value of \$50,000 each convertible at \$0.005 on or before 1 July 2018	35 ¹
Convertible Notes with face value of \$25,000 each convertible at \$0.005 on or before 1 July 2018	2 ²
Convertible Notes with face value of \$50,000 each convertible at \$0.001 on or before 1 July 2018	22 ³
Convertible Notes with face value of \$20,000 each convertible at \$0.001 on or before 1 July 2018	6 ⁴

¹ If all Convertible Notes are converted for their face value a total of 350,000,000 Hazelwood Shares will be issued.

² If both Convertible Notes are converted for their face value a total of 10,000,000 Hazelwood Shares will be issued.

³ If all Convertible Notes are converted for their face value a total of 1,100,000,000 Hazelwood Shares will be issued. Issue of 19 out of 22 Convertible Notes is subject to approval of Hazelwood Shareholders at 2015 AGM to be held in December 2015. All of the Convertible Notes except 2 relate to cash received under the Convertible Note Capital Raising. The 2 other Convertible Notes relate to fees due to Hartleys Limited that Hartleys Limited have agreed to have repaid by way of Convertible Notes.

⁴ If all Convertible Notes are converted for their face value a total of 120,000,000 Hazelwood Shares will be issued. Issue of Convertible Notes is subject to approval of Hazelwood Shareholders at 2015 AGM to be held in December 2015. All of the Convertible Notes relate to cash received under the Convertible Note Capital Raising.

3.5 Effect of Offers on Control of Company

The Company does not currently have any substantial shareholders. Accordingly, no existing Hazelwood Shareholder will be in a position to increase its voting power in the Company above 20% in the Company as a consequence of the Offers.

The only potential effect of the Offers on the control of the Company, therefore, will arise in the event that Hazelwood Shareholders and Hazelwood Convertible Noteholders subscribe for less than the \$3,000,000 underwritten amount of the Offers. In the event that no person subscribes for any Shares other than the Directors to the extent they have committed to participate (see Section 7.1), the maximum number of Shares which the Underwriter will be required to subscribe for or procure subscriptions for is 2,980,000,000 Shares in addition to its current holding of 10,092,055 Shares. The maximum possible voting power that the Underwriter can therefore obtain in the Company assuming no other Shares are issued prior to the issue of the underwritten Shares is approximately 69%. Full details of the Underwriter's existing and potential interest in the Company are set out in section 3.6 of this Prospectus.

The Underwriter intends to seek to enter into sub-underwriting arrangements in relation to all of its underwriting commitments. All sub-underwriting commitments entered into will reduce the maximum voting power that the Underwriter may be entitled to in the event that the amount subscribed by Hazelwood Shareholders and Hazelwood Convertible Noteholders fall short of the underwritten amount.

To the extent that the Underwriter is unable to obtain sub-underwriting commitments for all of its underwriting commitments and as a consequence the Underwriter obtains a voting power of greater than 20% in the Company the Underwriter intends to seek to dispose of those shares in excess of 20% on an orderly basis at or above the Offer price. The Underwriter does not intend to seek representation on the Company's Board or participate in the management of the Company.

3.6 Underwriter

GMP Securities Australia Pty Limited (GMP Securities) has agreed to underwrite the Entitlements Issue Offer to the amount of \$3,000,000. Details of the underwriting are set out in section 7.6 and details of the fees payable to GMP Securities is set out in section 7.2 of this Prospectus.

Details of the Underwriter's current and potential relevant interests in securities in the Company is as follows:

	Shares	Options	Convertible Notes
Current	10,092,055	10,000,000 ³	3 ⁴
Underwriting	2,980,000,000 ¹	Nil	Nil
Capital raising fees	67,200,000 ²	Nil	Nil

¹ Maximum number of shares if no Hazelwood Shareholder or Hazelwood Convertible Noteholder other than Director commitment subscribes pursuant to the Entitlements Issue Offer and the Underwriter is unable to enter into any sub-underwriting arrangements.

² Proposed issue of Shares in payment of 6% capital raising fee due to Underwriter for Convertible Note Capital Raising subject to Shareholder approval at 2015 AGM.

³ Exercisable at \$0.015 on or before 31 January 2019.

⁴ Face value \$50,000, Coupon Rate 12%, Expiry 1/07/2018, convertible into Shares at \$0.001 per Share. Maximum number of Shares on conversion 150,000,000.

3.7 Entitlements Trading

Entitlements will be quoted for trading on the ASX with the code HAZR. Trading of Entitlements will commence on the ASX on 5 November 2015 and cease on 25 November 2015. Your Entitlements may be offered for sale on the ASX during ASX trading hours between these dates should you chose not to subscribe for your full entitlement of Hazelwood Shares.

3.8 Rounding of Entitlements

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

3.9 Brokerage and Duty

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

3.10 ASX Listing

Application for quotation by ASX of the Hazelwood Shares offered pursuant to the Entitlements Issue Offer will be made within 7 days after the date of this Prospectus. If any Hazelwood Shares 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 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.

3.11 No Offer of Hazelwood Shares after 13 months

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

3.12 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.

Pursuant to ASX Listing Rule 7.7, the Company has appointed the Underwriter as nominee to arrange for the sale of the Entitlements of Hazelwood Shareholders in countries where the Entitlements Issue Offer is not being made. The nominee will sell the Entitlements if there is a viable market for the Entitlements and the net proceeds of the sale will then be forwarded as soon as practicable to the relevant Hazelwood Shareholders. The Company has also sought approval from ASIC for the appointment of the Underwriter as nominee for the purposes of section 615 of the Corporations Act.

3.13 Issue of Hazelwood Shares

The Hazelwood Shares the subject of the Entitlements Issue Offer are expected to be issued on 9 December 2015. Until the issue of the Hazelwood Shares under this Prospectus, the acceptance money will be held in trust.

3.14 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 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.

3.15 **Privacy Act**

If you complete an application for Hazelwood Shares 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, 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 30 June 2015 is set out below. In addition, Hazelwood has included a pro-forma Balance Sheet as at 30 June 2015 that assumes the Offers were complete as at 30 June 2015 and adjusted to reflect the financial effect of the Offers, the Convertible Note Capital Raising and the proposed partial repayment of the Siderian Debt.

	Audited 30 June 2015	Pro-forma 30 June 2015 Underwritten amount	Pro-forma 30 June 2015 Maximum subscription
CURRENT ASSETS			
Cash and Cash Equivalents	688,430	1,293,498	2,326,736
Trade and Other Receivables	185,026	185,026	185,026
Inventories	4,043,276	4,043,276	7,143,276
Other Assets	360,158	360,158	360,158
TOTAL CURRENT ASSETS	5,276,890	5,881,958	10,015,196
NON-CURRENT ASSETS			
Property, Plant and Equipment	5,906,821	5,906,821	5,906,821
Exploration, Evaluation and Development	1,200,000	1,200,000	1,200,000
TOTAL NON-CURRENT ASSETS	7,106,821	7,106,821	7,106,821
TOTAL ASSETS	12,383,711	12,988,779	17,122,017
CURRENT LIABILITIES			
Trade and Other Payables	2,879,369	2,429,368	2,429,368
Provisions	99,210	99,210	99,210
Deferred Revenue	30,753	30,753	30,753
Financial Liabilities – Convertible Notes	1,650,000	-	-
Financial Liabilities – Siderian	5,223,600	2,739,726	2,739,726
Financial Liabilities – G Chen Loan	3,473,694	3,473,694	3,473,694
Financial Liabilities – G Chen Interest	1,081,165	1,081,165	1,081,165
TOTAL CURRENT LIABILITIES	14,437,791	9,853,916	9,853,916
NON-CURRENT LIABILITIES			
Financial Liabilities – Convertible Notes	-	3,020,000	3,020,000
TOTAL NON-CURRENT LIABILITIES	-	3,020,000	3,020,000
TOTAL LIABILITIES	14,437,791	12,873,916	12,873,916
NET ASSETS	(2,054,080)	114,863	4,248,101
EQUITY			
Issued capital	62,728,007	65,748,007	69,891,245
Reserves	4,337,093	4,337,093	4,337,093
Accumulated losses	(62,475,370)	(63,326,427)	(63,336,427)
Parent Interest	4,589,730	6,758,673	10,891,911
Non-controlling Interest	(6,643,810)	(6,643,810)	(6,643,810)
TOTAL EQUITY	(2,054,080)	114,863	4,248,101

4.2 Notes concerning the Balance Sheets

The pro-forma Balance Sheet has been prepared based on the Balance Sheet as at 30 June 2015 adjusted for financial effects of the Offers on the assumption that the following transactions had occurred as at 30 June 2015:

- (a) *Underwritten Amount* - The issue of 3,000,000,000 Hazelwood Shares at an issue price of 0.1¢ per share pursuant to the Underwriting Agreement to raise a total of \$3,000,000 before expenses, refer Note (f).

Maximum Subscription - The issue of 7,407,699,000 Hazelwood Shares at an issue price of 0.1¢ per share pursuant to the Offers to raise a total of approximately \$7,407,700 before expenses. The number of shares issued is based on the offer of 4 Hazelwood Shares for every 1 Hazelwood Share held by Hazelwood Shareholders and 4 Hazelwood Shares for every 1 Hazelwood Share that would be held by Hazelwood Convertible Noteholders if the face value of their Convertible Note had been converted, refer Note (f).

- (b) The issue of Convertible Notes totalling \$350,000 comprising the conversion of creditor payments totalling \$250,000 in July 2015 and the receipt of a further \$100,000 in cash in September 2015.
- (c) The conversion of Convertible Notes to the value of \$200,000 into 40,000,000 Hazelwood Shares at \$0.005 each and interest totalling \$3,978 due on these notes into 795,617 Hazelwood Shares at \$0.005 each in August 2015.
- (d) The receipt of a further \$1.12 million in subscriptions for Convertible Notes in October 2015 pursuant to the Convertible Note Capital Raising.
- (e) The conversion of creditor payments totalling \$100,000 into Convertible Notes subject to approval at the 2015 AGM to be held in December 2015.
- (f) The costs of the Offers are recognised as a reduction in equity, detailed as follows:

	Underwritten Amount	Maximum Subscription
	\$	\$
Contributed capital	3,000,000	7,407,700
Capital raising costs	230,000	504,462
Net proceeds from Offers	<u>2,770,000</u>	<u>6,903,238</u>
	\$	\$
Underwriting fees	180,000	444,462
Legal fees	25,000	25,000
Other issue costs	25,000	35,000
Total capital raising costs	<u>230,000</u>	<u>504,462</u>

- (g) The partial repayment of the Siderian Debt (comprising principal, interest and fees) in the amount of approximately \$3.285 million out of the proceeds of the Offers and the Convertible Note Capital Raising.

- (h) As noted in the Company's 2015 Annual Report the financial liabilities owing to G Chen are owed by ATC, a partially owned subsidiary of the Company. In accordance with the incorporated Joint Venture and Shareholder Agreement between Mr Chen, the Company and ATC, the repayment of loans made by the Company to ATC the current balance of which is approximately \$17,500,000 inclusive of interest take precedence over the repayment of the monies owing to Mr Chen. As such, whilst ATC has a legal obligation to repay both the monies owing to the Company and the monies owing to Mr Chen on 31 December 2015 it is the Directors' expectation that repayment of this loan will not be required over the next 12 months.

5 BUSINESS AND INVESTMENT RISKS

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 shareholders, 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 stockmarket.

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

Secured debt

Upon the successful completion of the Entitlements Issue Offer the Siderian Debt will be reduced to approximately \$2.7 million which will be due for repayment on or before 30 June 2016. The Siderian Debt is secured by way of first ranking security over the Company's assets. The Company will also have on issue Convertible Notes with a face value of \$3,000,000 due for conversion or repayment on or before 1 July 2018 which are secured by way of subordinated second ranking security over the Company's assets.

There is a risk that the Company may not be able to meet repayments due under its secured debt facilities or may not be able to comply with other obligations under those facilities. In either case the relevant secured creditors may have the right to exercise their security over the Company's assets. In the event of a secured lender exercising its security over the Company's assets the assets may not be able to be realised for their carrying value in the accounts of the Company and the process of realisation may not be sufficient to repay the secured debt.

Requirement for further funding

The Underwritten amount of the Entitlements Issue Offer will enable Hazelwood to make the first payment to Siderian Resource Capital in accordance with the revised repayment schedule and thereby significantly reduce the amount owing pursuant to the Siderian Debt. There is a risk that if the Company does not raise more than the Underwritten amount under the Offers, the Company may need to seek alternative financing to provide short-term working capital. Any additional equity financing will dilute shareholders, and debt financing may involve restrictions on business strategy and financing and operating activities.

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.

Exchange rate volatility

Exchange rate volatility may adversely impact the Company, particularly volatility in relation to the repayment of the Siderian Debt which is denominated in \$US.

.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 to be retained after the proposed sale of the Western Australian tungsten projects to Tungsten Mining NL 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.

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.

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 and on 3 August 2015 the Ministry of Science and Technology Inspectorate of Vietnam upheld that claim. ATC and the Company strenuously deny this allegation and have appealed this decision and are also providing information to the Ministry of Science and Technology Inspectorate of Vietnam to prove that ATC's manufacture does not infringe the utility solution. Until the appeal process is completed ATC is able to continue production using its existing manufacturing method. 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 after the completion of the appeal process 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.

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.

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	Convertible Notes
Mr Mark Warren	-	85,000,000 ¹	1 ⁴
Mr Patrick Burke	-	5,000,000 ²	1 ⁵
Mr John Chegwiddden	30,939,737	17,000,000 ³	1 ⁶

¹ 10,000,000 Options exercisable at \$0.015 each and expiring on 9/03/2017 and 75,000,000 Options exercisable at \$0.015 each and expiring on 31/07/2019.

² 5,000,000 Options exercisable at \$0.015 each and expiring on 9/03/2017.

³ 17,000,000 Options exercisable at \$0.015 each and expiring on 9/03/2017.

⁴ Face value \$50,000, Coupon Rate 12%, Expiry 1/07/2018, convertible into Shares at \$0.005 per Share.

⁵ Face value \$25,000, Coupon Rate 12%, Expiry 1/07/18 convertible into Shares at \$0.005 per Share.

⁶ Face value \$50,000, Coupon Rate 12%, Expiry 1/07/2018, convertible into Shares at \$0.005 per Share.

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

Each of the directors will be entitled to subscribe for Hazelwood Shares pursuant to the Entitlements Issue Offer. Mr Warren and Mr Chegwidden intend to subscribe to the Entitlement Issue Offer for all or part of their Entitlement. Mr Burke intends to subscribe to his full Entitlement of 20,000,000 Shares.

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 \$25,000 for these services.

GMP Securities Australia Pty Limited

GMP Securities Australia Pty Limited has agreed to act as an Underwriter in relation to the Offers.

The Company has agreed to pay GMP Securities Australia Pty Limited an underwriting fee of 6% of the total amount raised pursuant to the Offers.

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 \$15,000 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 have given and have not withdrawn their consent to be named as Underwriter to the Offers.

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 were suspended from trading on ASX between 29 September 2015 and 28 October 2015.

The last traded price of the Company's shares prior to suspension was \$0.004 on 24 September 2015 and the last traded price on 29 October 2015 (being the day before lodgment of this Prospectus) was \$0.003.

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 and on 3 August 2015 the Ministry of Science and Technology Inspectorate of Vietnam upheld that decision. ATC and the Company strenuously deny this allegation and have appealed this decision and are also providing information to the Ministry of Science and Technology Inspectorate of Vietnam to prove that ATC's manufacture does not infringe the Utility Solution. Until the appeal process is completed, ATC is able to continue production using its existing manufacturing method. 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 after the completion of the appeal process 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 will be seeking Shareholder approval at its 2015 AGM and therefore Mr McAuliffe's claim pursuant to the Deed of Release has not been finalised.

7.6 Underwriting and Sub-Underwriting Arrangements

The Underwriter has agreed to underwrite the Entitlements Issue Offer up to the amount of \$3,000,000 pursuant to the Underwriting Agreement.

The Underwriter intends to seek to enter into sub-underwriting arrangements in relation to all of its underwriting commitments. All sub-underwriting commitments entered into will reduce the maximum voting power that the Underwriter may be entitled to in the event that the amount subscribed by Hazelwood Shareholders and Hazelwood Convertible Noteholders fall short of the underwritten amount. No sub-underwriter will be entitled to subscribe for Shares to the extent that such subscription would increase its voting power above 20% in the Company.

A summary of the key terms and conditions of the Underwriting Agreement are set out below.

(a) Allocation of Shortfall Shares

If, as at the Entitlements Issue Closing Date the Company has not received valid applications pursuant to the Entitlements Issue Offer and the Shortfall Offer for all of the underwritten shares and the Company gives notice to the Underwriter within 1 Business Day stating the number of underwritten shares that valid applications have not been received for, the Underwriter must subscribe or cause its nominees to subscribe for the remainder of the underwritten shares within 4 Business Days of receiving the notice from the Company.

(b) Fees

Details of the fees payable to GMP Securities Australia Pty Limited are set out in section 7.2 of the Prospectus.

(c) Termination Events

The Underwriter may terminate the Underwriting Agreement without cost or liability to itself or without prejudice to any rights under the Underwriting Agreement on the happening of any of the following events by notice in writing to the Company at any time prior to the date of allotment of the Entitlements Issue Offer Shares:

- (i) any of the S&P/ASX 200 Index or the S&P/ASX 300 Metals and Mining Index as published by ASX is at any time after the date of the Underwriting Agreement up until the closing date of the Entitlements Issue Offer, 10% or more below its respective level as at the close of trading on the Business Day prior to the date of the Underwriting Agreement; or
- (ii) the Prospectus or the Entitlements Issue Offer is withdrawn by the Company; or
- (iii) official quotation of the Entitlements Issue Shares has not been granted or, having been granted, is subsequently withdrawn, withheld or qualified; or
- (iv) the Underwriter forms the view on reasonable grounds that a supplementary or replacement prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary or replacement prospectus in such form and content and within such time as the Underwriter may reasonably require or the Company lodges a supplementary or replacement prospectus without the prior written agreement of the Underwriter; or
- (v) it transpires that the Prospectus does not contain all the information that investors and their professional advisers would reasonably require to make an informed assessment of the effect of the Entitlements Issue Offer on the Company and the rights and liabilities attaching to the Entitlement Issue Offer Shares; or
- (vi) it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of sections 711, 713 and 716 of the Corporations Act) or if any statement in the Prospectus becomes or misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive; or
- (vii) the Company is prevented from allotting the Entitlements Issue Offer Shares within the time required by this Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority; or

- (viii) any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent; or
- (ix) an application is made by ASIC for an order under section 1324 or any other provision of the Corporations Act in relation to the Prospectus, and that application has not been dismissed or withdrawn; or
- (x) ASIC gives notice of its intention to hold a hearing under section 739 of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or the ASIC makes an interim or final stop order in relation to the Prospectus under section 739 of the Corporations Act; or
- (xi) the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel; or
- (xii) any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter; or
- (xiii) a director or senior manager of the Company is charged with an indictable offence; or
- (xiv) the Company is removed from the Official List; or
- (xv) of the following events occur that in the reasonable opinion of the Underwriter have or are likely to have a material adverse effect on the outcome of the Entitlements Issue Offer or the Company or could give rise to a liability of the Underwriter:
 - A. there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this agreement involving one or more Australia, Vietnam, China, the United States of America, any member of the European Union, Japan, New Zealand or Indonesia, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world; or
 - B. default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking; or
 - C. any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect; or
 - D. a contravention by the Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX; or
 - E. an event occurs which gives rise to a material adverse change or any prospective material adverse change in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of the Company; or

- F. it transpires that any of the due diligence results or any part of the verification material was false, misleading or deceptive or that there was an omission from them; or
- G. a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor; or
- H. without the prior approval of the Underwriter a public statement is made by the Company in relation to the Entitlements Issue Offer or the Prospectus except as required by law or the ASX Listing Rules; or
- I. any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Entitlements Issue Offer or the affairs of the Company is or becomes misleading or deceptive or likely to mislead or deceive; or
- J. the official quotation of the Entitlements Issue Offer Shares is qualified or conditional; or
- K. there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy; or
- L. a prescribed occurrence as set out in section 652C of the Corporations Act occurs, other than as disclosed in the Prospectus; or
- M. an event of insolvency occurs in respect of the Company; or
- N. a judgment in an amount exceeding \$50,000 is obtained against the Company and is not set aside or satisfied within 7 days; or
- O. litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced or threatened against the Company, other than any claims foreshadowed in the Prospectus; or
- P. there is a change in the composition of the Board or a change in the senior management of the Company without the prior written consent of the Underwriter which consent is not be unreasonably withheld; or
- Q. there is a material change in the major or controlling shareholdings of the Company or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to the Company; or
- R. the Company causes there to be a delay in any specified date in the Entitlements Issue Offer timetable which is greater than 5 Business Days; or
- S. a force majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs; or

- T. the Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter; or
- U. the Company alters its capital structure in any manner not contemplated by the Prospectus; or
- V. any contract that is material to the Company or the Entitlements Issue Offer is terminated or substantially modified; or
- W. any person is appointed under any legislation in respect of companies to investigate the affairs of the Company; or
- X. a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Vietnam, China, the United States of America, any member of the European Union, Japan, New Zealand or Indonesia or other international financial markets.

7.7 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 2015, (being the last annual financial report to be lodged with ASIC in relation to the Company before the issue of this Prospectus); and
 - (ii) 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 2015 and ending before the issue of this Prospectus.

Abbreviation	Description
Application Monies	means payment for application for Shares
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 on or before 1 July 2018
Convertible Note Capital Raising	means the capital raising undertaken by the Company in October 2015 to raise \$1,120,000 through the issue of Convertible Notes
Convertible Noteholder	means a holder of Convertible Notes on the Record Date
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 and Convertible Noteholders to subscribe for Shares under the Entitlements Issue Offer
Entitlements Issue Closing Date	2 December 2015 or such later date as the Company determines
Entitlements Issue Offer	means the offer of Shares to Hazelwood Shareholders and Convertible Noteholders made pursuant to this Prospectus
Hazelwood	means Hazelwood Resources Limited ACN 118 738 999
Hazelwood Shareholder	means a holder of Shares on the Record Date
Offers	means the Entitlements Issue Offer and the offer of any Shortfall
Option	means an option to subscribe for a Share
Prospectus	means this Prospectus

Abbreviation	Description
Quotation and Official Quotation	means official quotation on ASX
Record Date	means 9 November 2015
Share	means a fully paid ordinary share in the capital of Hazelwood
Share Registry	means Computershare Investor Services Pty Limited
Shortfall	means Shares not subscribed for by Hazelwood Shareholders or Convertible Noteholders pursuant to the Entitlements Issue Offer
Siderian Debt	means all monies owing by the Company to Siderian Resource Capital Limited
Underwriter	means GMP Securities Australia Pty Limited ACN 149 263 543
Underwriting Agreement	means the underwriting agreement dated 23 October 2015 between the Company and the Underwriter
Underwritten Shortfall	means that part of the Shortfall (if any) that exceeds 4,407,699,600 Shares