

Appointment of Plant Engineers for Big Hill Pre-Feasibility

Highlights

- GR Engineering Services (GRES) to provide engineering for Big Hill pre-feasibility study
- GRES to establish process plant CAPEX and OPEX for the pre-feasibility study
- Resource upgrade drilling is in-progress at Big Hill
- Extended environmental surveys commencing soon - mandate awarded to Ecoscape
- Supply of tungsten concentrate in China is tight - price has increased

Hazelwood Resources is advancing through a pre-feasibility study for the production of tungsten concentrate from its 100% owned Big Hill Deposit, which could produce 2-3% of the world's primary mined tungsten.

GR Engineering Services have been awarded a mandate to provide engineering services for the Pre-feasibility study at Big Hill. GRES shall develop a Capital Cost (CAPEX) estimate and Operating Cost (OPEX) estimate for the proposed processing plant.

GR Engineering Services Pty Ltd (GRES) is an engineering consulting and contracting organisation providing high quality process engineering design and construction services to the resources and mineral processing industry with clients ranging from junior companies through to established major Australian and international mining houses.

The established mineral processing flowsheet will be utilised. Process validation (variability) testwork is currently underway, with input from external consultants.

Core drilling is in progress at Big Hill as part of the Resource upgrade program and is expected to be completed within one month.

Ecoscape have been awarded a mandate to conduct environmental surveys over an extended area within the proposed mining lease at Big Hill, commencing during July.

The pre-feasibility study (PFS) is progressing ahead of schedule, following a recent successful placement via Hartleys to raise \$3 million. The PFS is expected to be completed around September 2009.

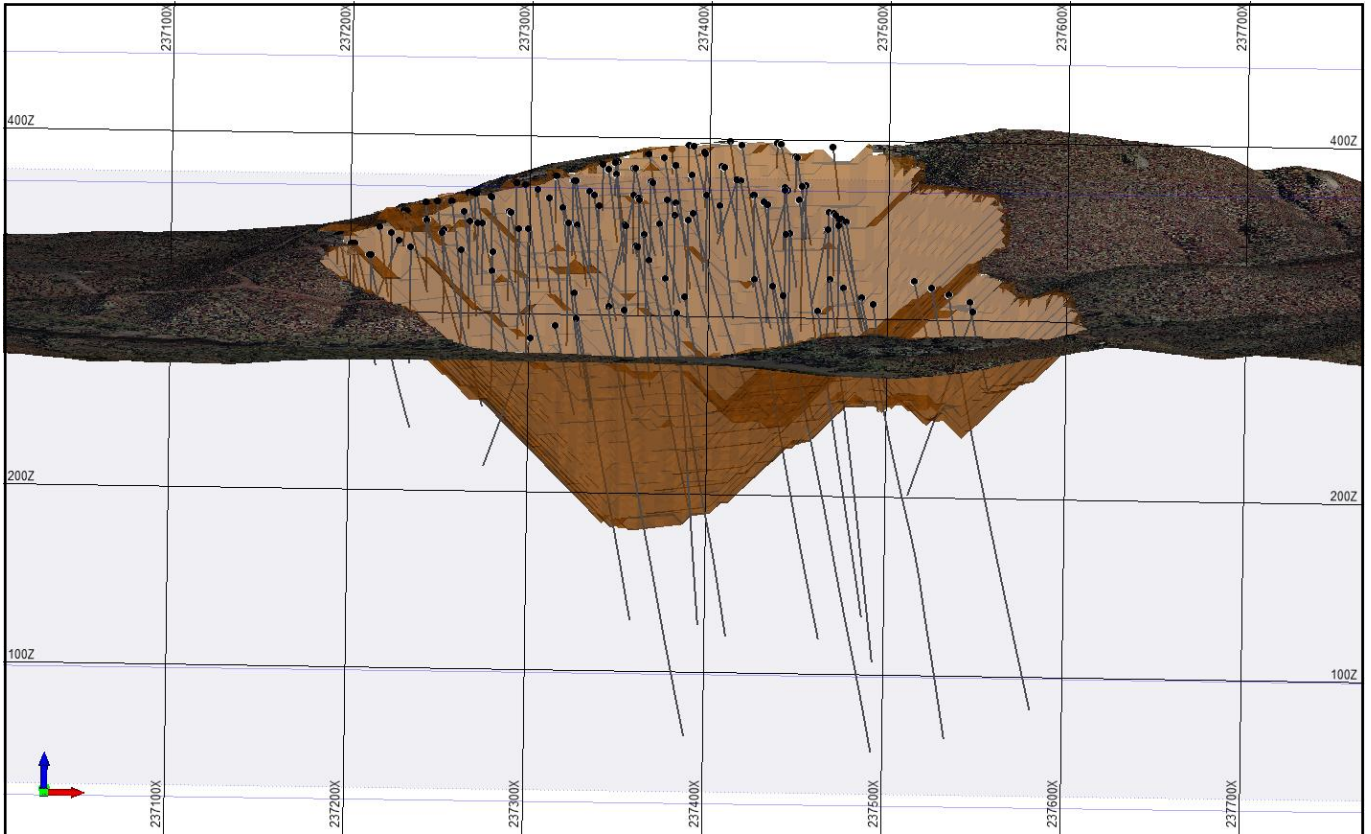


Figure 1. View of Big Hill optimum pit shell at base case pricing scenario, looking north, with drillholes shown.

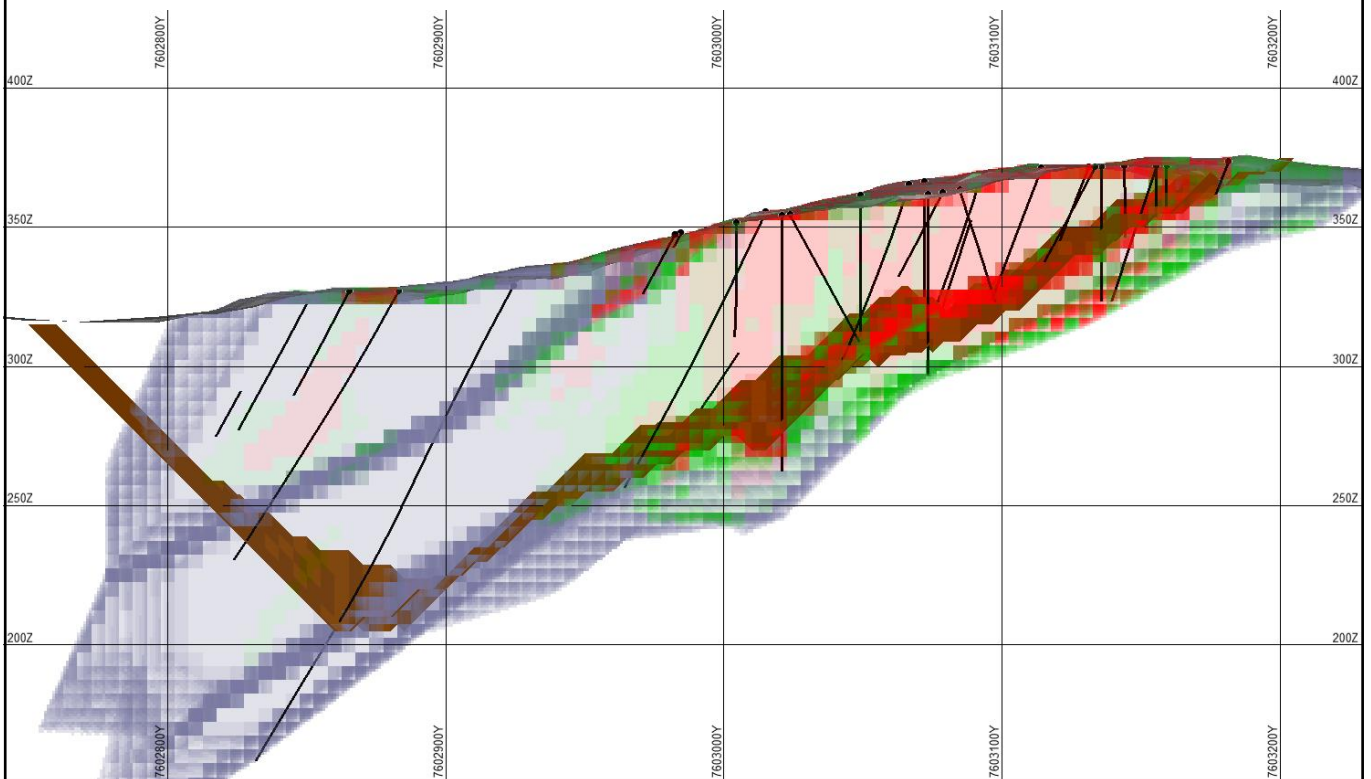
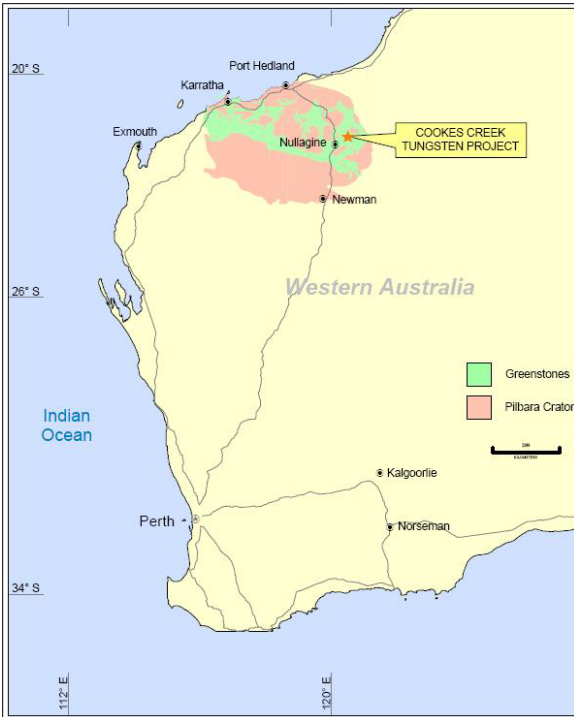


Figure 2. Cross Section looking west through optimum pit shell at base case pricing scenario. Resource blocks and drillholes shown. Red = Measured, Green = Indicated, Blue = Inferred

The information in this report that relates to exploration results, mineral resources or ore reserves has been compiled by Mr Terence Butler-Blaxell MAust IMM who is a director of Hazelwood Resources Limited. Mr Butler-Blaxell has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a competent person as defined in the 2004 edition of the Australasian Code for the reporting of exploration results, mineral resources and ore reserves. Mr Butler-Blaxell consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The Cookes Creek Tungsten Project



Hazelwood's Cookes Creek Tungsten Project is located in the East Pilbara of Western Australia, approximately 70 kilometres by road from the town of Nullagine.

The Cookes Creek Tungsten Project contains areas of historical tungsten production. The most intensively evaluated area in recent times is the Big Hill Tungsten Deposit.

Hazelwood has conducted focused drilling and metallurgical testwork programs at the Big Hill Tungsten Deposit. Only a fraction of the extensive mineralised sequence at Big Hill has been evaluated for Resources.

The Big Hill Tungsten Deposit occurs at surface, is shallow dipping and is metallurgically simple with an absence of deleterious impurity elements such as tin, arsenic, cadmium, molybdenum and base metals.

A simple and effective mineral processing flowsheet has been developed. Market samples of high purity scheelite concentrate have already been provided to several end-users who have expressed interest in the product.

The project concept is for a mining and processing operation with a production capacity of approximately 220,000 metric tonne units of tungsten concentrate per annum. Preliminary pit optimisation indicates a life of mine strip ratio of less than 1:1.

The appointment of plant engineers for the pre-feasibility study is a significant event in project's path to development. The pre-feasibility study is expected to be completed by the second calendar half of 2009. Recent successful X-ray sorting testwork has provided an opportunity to consider a bulk mining & processing operation that exploits the entire deposit and further reduce operating costs.

Tungsten ore concentrates are currently at around \$US128 - 137 per metric tonne unit in China on tight supply (source: Metal Pages, 16 Jun 09), having edged upwards by approximately 2% in the last week. A restriction on tungsten mining licences in China is cited as a reason for the current tight supply.

Project Timeline - Cookes Creek Tungsten Project

