

Pre-Feasibility Completed for Mt Mulgine Tungsten Concentrator

- Engineering PFS completed for a concentrator at Mt Mulgine Tungsten Project results in capital estimate of \$31.5m for the concentrator; infrastructure options to be assessed
- Capital-efficient path to vertical integration with ATC Ferrotungsten plant

Hazelwood Resources Ltd ("Hazelwood" or "the Company") (ASX: HAZ) is pleased to announce the completion of an Engineering Pre-Feasibility Study (PFS) for the establishment of a concentrator at the Mt Mulgine Tungsten Project located in the mid-west region of Australia.

Mt Mulgine as a source of feedstock for ferrotungsten production

The engineering pre-feasibility estimate is part of the evaluation of the development options for the Mt Mulgine Tungsten Project which could form an important part of the supply chain for the established downstream ATC Ferrotungsten Project in Vietnam. ATC sells ferrotungsten to steelmakers and foundries globally, having entered production during April 2013.

Tungsten feedstock for Hazelwood's downstream tungsten processing business is presently sourced from a range of third party sources. The concentrator for Mt Mulgine as proposed in the pre-feasibility engineering study would, conceptually, provide around a third of the required annual feedstock based on CY2015 ferrotungsten production projections.

Modest capital expenditure path to vertical integration

Hazelwood engaged Como Engineers Pty Ltd to conduct a Pre-Feasibility estimate for the establishment of a 330,000 tonnes per annum concentrator at the Mt Mulgine Tungsten Project. The project hosts a relatively high grade tungsten Mineral Resource at the Mulgine Hill Deposit and has been subject to significant historical evaluation work, including a similar-sized plant design by Fluor during the 1970s.

The battery limits for the engineering pre-feasibility estimate are from ROM pad grizzly to the tailings dam discharge point. The tailings dam, bore fields and infrastructure will be considered as part of a full evaluation study, taking into account infrastructure that is already established in the region.

The estimated capital required for the concentrator is \$AUD 31.5 million, estimated to a +/-25% level of accuracy and includes a contingency of 20% of cost.

Capital Estimate Mt Mulgine Concentrator

Summary	Materials & Equipment	Labour	Sub-Total	Contingency	Totals
Design And Engineering Costs	\$0	\$4,241,985	\$4,241,985	20%	\$5,090,382
Global Costs	\$1,637,954	\$0	\$1,637,954	20%	\$1,965,545
Crushing	\$3,774,771	\$1,072,445	\$4,847,216	20%	\$5,816,660
Grinding	\$4,588,667	\$1,549,893	\$6,138,560	20%	\$7,366,272
Coarse Gravity	\$959,164	\$284,826	\$1,243,990	20%	\$1,492,788
Fine Gravity	\$2,301,076	\$709,202	\$3,010,278	20%	\$3,612,334
Tailings Disposal	\$986,333	\$328,778	\$1,315,111	20%	\$1,578,133
Concentrate Processing	\$1,032,255	\$344,085	\$1,376,340	20%	\$1,651,607
Services	\$393,435	\$123,553	\$516,988	20%	\$620,386
Reagents	\$485,936	\$166,472	\$652,408	20%	\$782,889
Buildings	\$1,124,245	\$172,502	\$1,296,747	20%	\$1,556,096
TOTALS	\$17,283,836	\$8,993,740	\$26,277,576		\$31,533,092

Concentrator design criteria

The concentrator consists of a crushing and milling circuit, tungsten gravity separation and sulphide flotation. The design throughput of 330,000 tonnes per annum has resulted in a modest sized plant that would exploit higher grade parts of Mt Mulgine (greater than 0.2% WO₃). Projected output would be approximately 90,000 metric tonne units+ of tungsten concentrate at the assumed mill feed grade (approximately 700 tonnes per annum of contained tungsten).

Feed grade assumption	%WO ₃	0.35%
Mill feed rate	tph	40 tph
Circuit metal recovery	%	77%
Primary grinding mill 80% passing grind size	microns	1150 um
Annual concentrate production	mtu/a	~90,000
Concentrate grade	% WO ₃	65% min

+metric tonne unit "mtu" a reporting convention, represents one metric tonne at 1% tungsten trioxide

Tungsten Mineral Resource Mulgine Hill

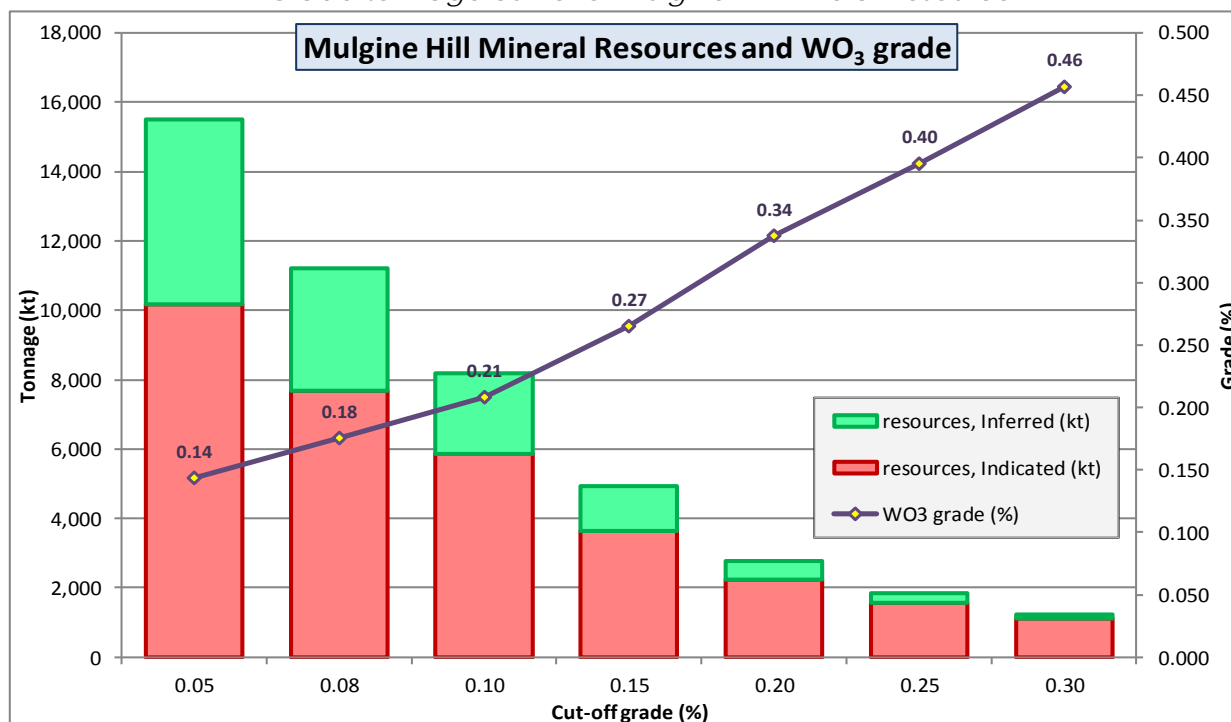
The Mulgine Hill deposit contains a significant JORC Mineral Resource which contains a higher grade portion that may be amenable to small-scale underground mining. Previous studies examined both open-pit and underground mining options for the Mulgine Hill Deposit. The mine design and ore reserve will be defined during a full-feasibility study.

Mulgine Hill Mineral Resource 0.2% WO₃ cut-off grade*

Category	Million tonnes	%WO ₃
Indicated	2.23	0.35
Inferred	0.29	0.26
Total	2.52	0.34

*For further information refer to ASX announcement dated 1 March 2011.

Grade-tonnage curve for Mulgine Hill Mineral Resource



Commenting on the completion of the Engineering PFS, Managing Director Terry Butler-Blaxell stated;

"Tungsten concentrate represents 90% of the operating cost of the ATC Ferrotungsten Project. We are looking at Mt Mulgine as an opportunity to vertically integrate and reduce our overall feedstock costs, improving the refining margins for the business. The challenge is to develop a low lead time mining project at the right scale that can readily recover the capital. These results move Hazelwood closer to the potential to provide a strategic internal source of tungsten feedstock to our very successful ferrotungsten processing business in Vietnam"

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Competent Person Statement

The information in this report that relates to exploration results, mineral resources or ore reserves has been compiled by Mr Terence Butler-Blaxell MAusIMM who is a full time employee 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 2012 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.

ABOUT HAZELWOOD

Hazelwood Resources Ltd is a new specialty metals producer with a majority stake in the ATC Ferrotungsten Project in Vietnam. Ferrotungsten is used in the production of high speed steels, tool steel and temperature resistant alloys.

The ATC Ferrotungsten plant is the largest capacity facility of its type outside of China and its design is believed to be the most advanced in the world. 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.

With an established specialty metals production base, Hazelwood has the ability to expand into other capital-efficient opportunities in downstream processing.

There is potential for future vertical integration with Hazelwood's 100% owned primary tungsten projects in Western Australia. The Big Hill Tungsten Deposit and Mt Mulgine Tungsten Project host near surface resources and are being evaluated as potential future sources of feedstock for Hazelwood's downstream refining business.

Hazelwood 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.

