

Ferrotungsten plant upgrades ahead of schedule

- ❑ Significant upgrades completed to ATC Ferrotungsten Project ahead of schedule
- ❑ Revenue received for first product - funds being applied to purchase of feedstock
- ❑ Ferrotungsten price rises strongly in a supply- constrained market >\$US48/kg

Hazelwood Resources Ltd (“**Hazelwood**” or “the **Company**”) is pleased to advise that major upgrades to load bearing structures have been completed at the ATC Ferrotungsten Project in Vietnam. The works have been finished ahead of schedule and have been formally certified by independent engineers. A series of improvements have also been made to materials handling systems ahead of the next production campaigns.

The upgrades are designed to improve safety, durability and efficiency. As the largest and most advanced ferrotungsten plant outside of China, ATC is committed to becoming a long-term, responsible supplier of this important strategic metal.

Payment, which has been received for most of the invoiced value of the product from the maiden production run, is being applied to purchases of feedstock. The balance of the sales proceeds will be received upon settlement with the end-users. With the recent strong price increase in ferrotungsten, significant price participation uplift to the sales receipts is expected. Specialty metals trader Wogen Resources has the exclusive global sales agency for all ferrotungsten from ATC, and Wogen has also played a key role in the procurement of feedstock.

The ferrotungsten price in Europe has climbed to in excess of \$US48/kg, driven by supply shortages of the material. Another ferrotungsten producer that had been selling into the European and Japanese markets has reportedly experienced operational difficulties and the exports of ferrotungsten out of China remain at low levels. Chinese exports of ferrotungsten are levied with a 20% export tariff and the flow of illegal unauthorised and duty-evading product has been reduced significantly.

ATC produces high quality ferrotungsten that is used in the production of tool steels, high speed steels and temperature resistant alloys. It is proposed to ramp-up production to 1500 tpa of ferrotungsten during 2014 and 2600 tonnes per annum in 2015. Operating margins of \$US 5 - 8/kg of contained tungsten are presently indicated.

Hartleys Limited have continued their research coverage of Hazelwood. A copy of their latest report and valuation can be accessed at the Hazelwood website www.hazelwood.com.au



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About Hazelwood:

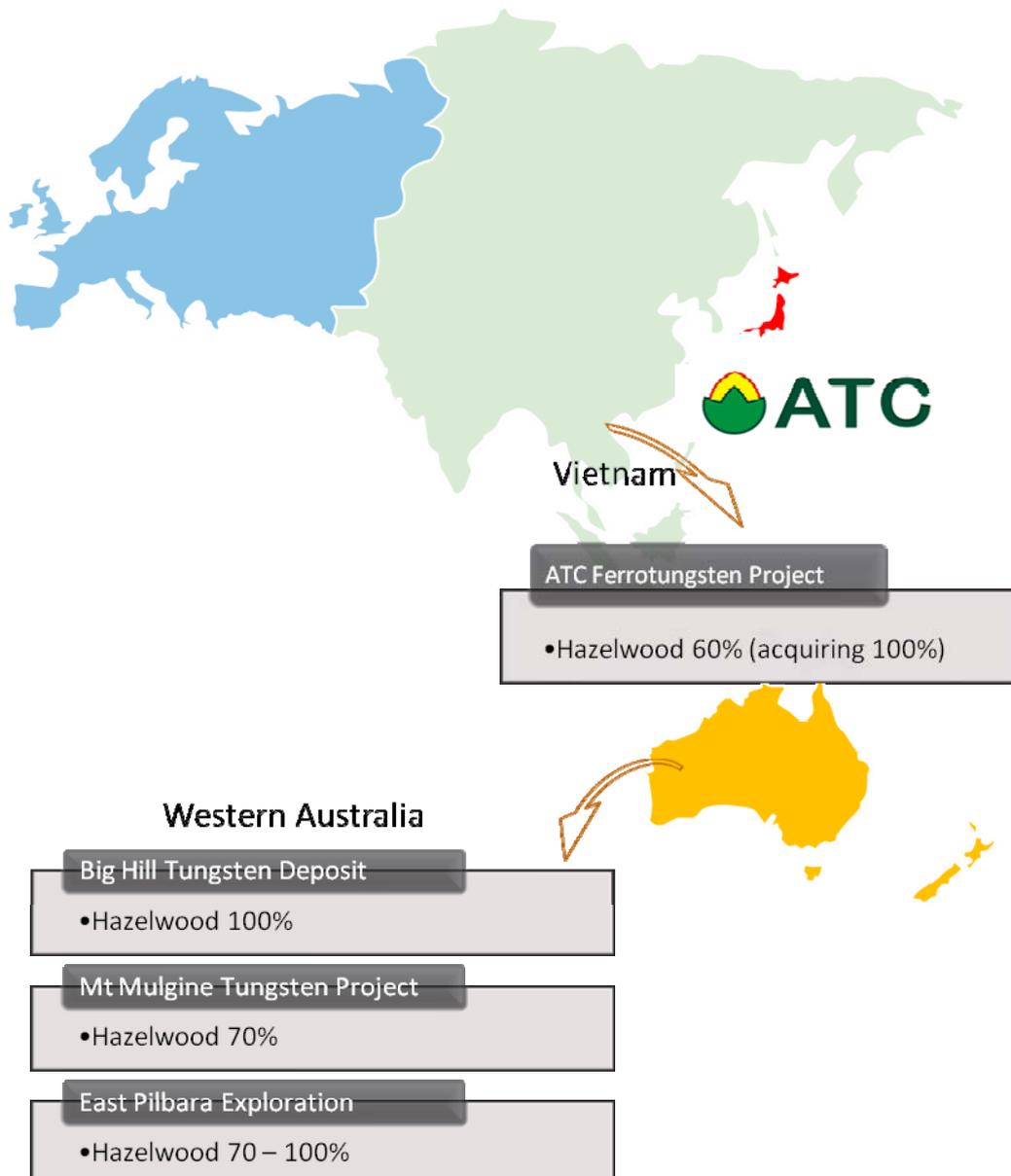
Hazelwood Resources Ltd is a new specialty metals producer with a majority stake in the ATC Ferrotungsten Project in Vietnam. Ferrotungsten is used in the production of high speed steels, tool steel and temperature resistant alloys.

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.

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 proposed Big Hill Tungsten Deposit in Western Australia. Big Hill is an advanced project with an open pittable 12 year JORC Ore Reserve and is capable of producing an exceptionally pure tungsten feedstock. Hazelwood also has a 70% interest in the Mt Mulgine Project in Western Australia which hosts a near-surface JORC Mineral Resource.

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.



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