Hazelwood moves to 100% control of Mt Mulgine Tungsten Project

- Hazelwood acquires the entire minority interest in the Mt Mulgine Tungsten Project
- Cashflow from ferrotungsten operations used to fund the purchase
- Resource expansion program, including drilling, to add to the existing near-surface resource

Hazelwood Resources Ltd ("Hazelwood" or the Company) is pleased to announce that it has purchased the entire minority interest in the Mt Mulgine Tungsten Project from Gindalbie Metals Ltd. Hazelwood now controls 100% of the tungsten & molybdenum rights (and associated minerals) within the Mt Mulgine Project area, located in the mid-west region of Western Australia (Fig 1).

The 30% Participating Interest in the Mt Mulgine Tungsten Project was acquired from Gindalbie for total cash consideration of $500,000 (less approximately $107,000 off-sets for Joint Venture expenditure re-imbursements). The acquisition was funded out of operating cashflows from ferrotungsten sales at the ATC Ferrotungsten Project.

Compatibility with Hazelwood’s Specialty Metals Focus

The Mt Mulgine acquisition is compatible with Hazelwood’s specialty metals focus. The ATC Ferrotungsten Project in Vietnam, which was commissioned during the June quarter 2013, is establishing itself as a credible supplier of high quality tungsten master alloy (ferrotungsten) to the global steelmaking industry.

Feedstock (tungsten concentrate) for the ferrotungsten operation is presently sourced from a diverse number of international sources. Hazelwood’s Australian tungsten projects provide the potential for vertical integration with the downstream refining operations.

Status of Mt Mulgine

Mt Mulgine hosts an Indicated and Inferred tungsten Mineral Resource at the Mulgine Hill area, 95% of which is within 100 metres of the surface (Table 1). The large-scale Trench Deposit, which was the subject of significant historical estimates of tonnage and grade, is presently being validated by Hazelwood. Archived core samples from previous drilling are being re-assayed, and a validation drilling program is proposed to commence in the near future.

Historical reports of exploration activity between 1969 and 1985 indicate the tungsten deposits of Mt Mulgine were considered amongst the largest in the Western World and significant evaluation work has previously been completed including bulk sampling, pilot plant trails and engineering studies.

Mt Mulgine Development Proposal

Minjar Gold Pty Ltd, which was acquired by Shandong Tianye Gold Mining, owns the gold rights to the Mt Mulgine Project tenements. Minjar Gold operates the Minjar Gold Project which has recently been brought back into production and has a 650,000 tpa mill and gold plant and associated infrastructure located approximately 35 kilometres to the north of Mt Mulgine.

Minjar Gold has proposed to develop a number of open pit gold mines within the Mt Mulgine Mining Leases. Some of the proposed development overlaps with known areas of tungsten mineralisation. Outlines of the approximate areas of proposed development are shown in Fig 2.

Discussions are continuing between Hazelwood and Minjar Gold regarding the proposed development of the gold open pits to determine how that activity can be undertaken taking into consideration the respective parties’ mineral rights.
Fig 1. Mt Mulgine Tungsten Project location

Fig 2. Plan view of the Mt Mulgine Project showing areas of interest and proposed development
Competent Person Statement:
The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Terry Butler-Blaxell, MAUSIMM. Mr Butler-Blaxell is a full-time employee of Hazelwood Resources Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Butler-Blaxell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Externally sourced tungsten feedstock being delivered to the ATC Ferrotungsten Project in Vietnam. Hazelwood's 100% owned Australian tungsten projects offer the potential for vertical integration with the downstream refining operations.
**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 100% owned primary tungsten projects in Western Australia. The Big Hill Tungsten Deposit has a 12 year Ore Reserve and is capable of producing an exceptionally pure tungsten feedstock. Hazelwood also holds the Mt Mulgine Tungsten Project in 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.