



ACN 118 738 999

Quarterly Activities Report
for the period ending
31 March 2015

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Status: ASX Listed Public Co.

ASX Code: HAZ

Details

Ordinary Fully Paid Shares	1,296,818,483
Unlisted Options 5c (30 Nov 2015)	15,000,000
Unlisted Options 25c (6 Aug 2015)	5,000,000
Unlisted Options 5.5c (27 Nov 2016)	139,571,432
Unlisted Options 1.5c (9 Mar 2017)	78,846,667

Directors

Mark Warren	Executive Chairman
Pat Burke	Non Executive Director
John Chegwidan	Director & Joint Co. Sec.

Management

Mark Warren	Executive Chairman
George Chen	President, ATC
Carol New	CFO & Joint Co. Sec.
Martin McQuade	Operations Manager

Quarterly Activities Summary

- Finalized sales totalled approx. US\$4.0. Sales from shipments will continue in the June quarter.
- ATC achieves accreditation as a Conflict Free Smelter for the production of ferrotungsten.
- The fall in ferrotungsten prices slowed during the first quarter of 2015, the price at the end of the quarter was just below the \$US35/kg which was above the ammonium paratungstate (APT) price. However, the continued fall in APT prices which has been lowering concentrate prices may also see ferrotungsten prices dragged lower in the June quarter.
- Safety performance continues to improve. The LTIFR for quarter is 0.0 and the MTIFR and FAIFR continues to fall with positive action continuing with training and awareness campaigns.
- Voluntary Suspension expected to remain in place until funding plans finalised.
- Placement provides \$1,077,700 additional working capital.
- Subsequent to the end of the quarter cash reserves have been increased by way of sales receipts.

ATC Ferrotungsten Project, Vietnam

Production Report

ATC resumed limited concentrate purchasing and ferrotungsten production during the quarter.

During the first quarter of 2015 a total of 88 tonnes of Ferrotungsten metal was produced from 110 tonnes of tungsten concentrate. The tungsten concentrate was predominately wolframite, with some scheelite treated. The average product grade was 75.6 % which was consistent across the year of production. Some of the production was achieved using a trial amount of reprocessed material. The outcomes of the trial are still being accessed.

QUARTER ENDING		31 Mar	30 Jun	30 Sep	31 Dec	31 Mar
		14	14	14	14	15
Ferrotungsten product lifted from furnace	tonnes FeW	243	247	274	0	88
Average FeW grade	% W	78.3	78.3	77.5	0	75.6
Concentrate utilised	tonnes	407	436	458	0	110

Conflict Free Smelter Accreditation

The EICC - GeSI Conflict Free Smelter (CFS) Audit of the ATC Vinh Bao facility has been now been completed with all follow up questions having been accessed. The CFS Program uses an independent third-party audit to identify smelters and refiners that have systems in place to assure sourcing of only conflict-free materials. Hazelwood and ATC continue to condemn all activities in the raw material sector connected to illegal or unlawful exploitation of ores that directly or indirectly finances or benefits armed groups in conflict areas.

The audit found that there was no issue in regards to the origins of the tungsten concentrates used in the facility during that period.

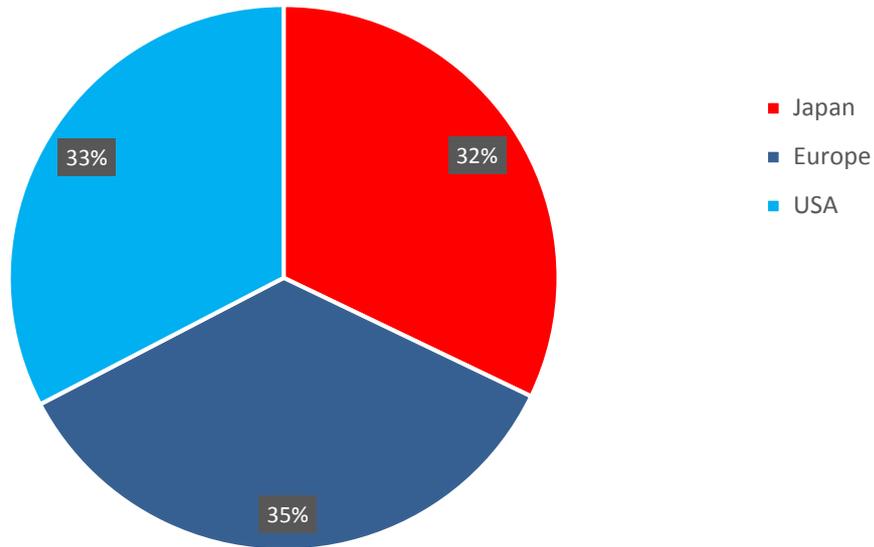
ATC had been informed that accreditation to the CFS Program would be granted subsequent to the end of the March 2015 quarter.

Product Sales

Provisional payment (80%) for the February production run was effected on bill of lading ex-Haiphong under the global sales agency agreement with Wogen during the quarter.

Sales during the quarter totalled approximately US\$4.0 million. The product was distributed to a range of mainstream end-users in Japan, Europe and the USA.

Geographic Sales Mix for the Quarter



Settlement proceeds continued to be received subsequent to the end of the quarter.

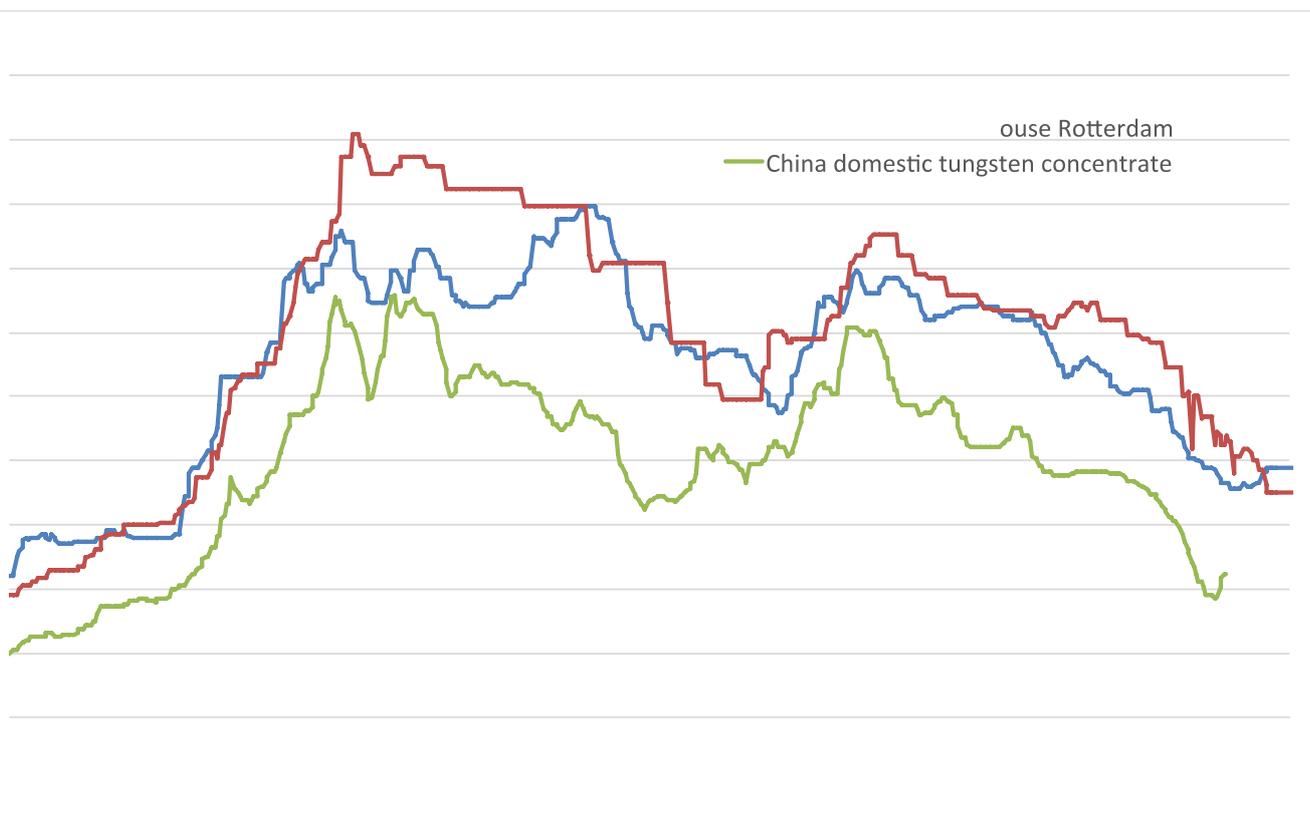
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Tungsten Market & Feedstock Procurement

The fall in ferrotungsten prices slowed during the first quarter of 2015. The ferrotungsten price was quoted just below the \$US35/kg price at the end of the quarter (Metal Bulletin).

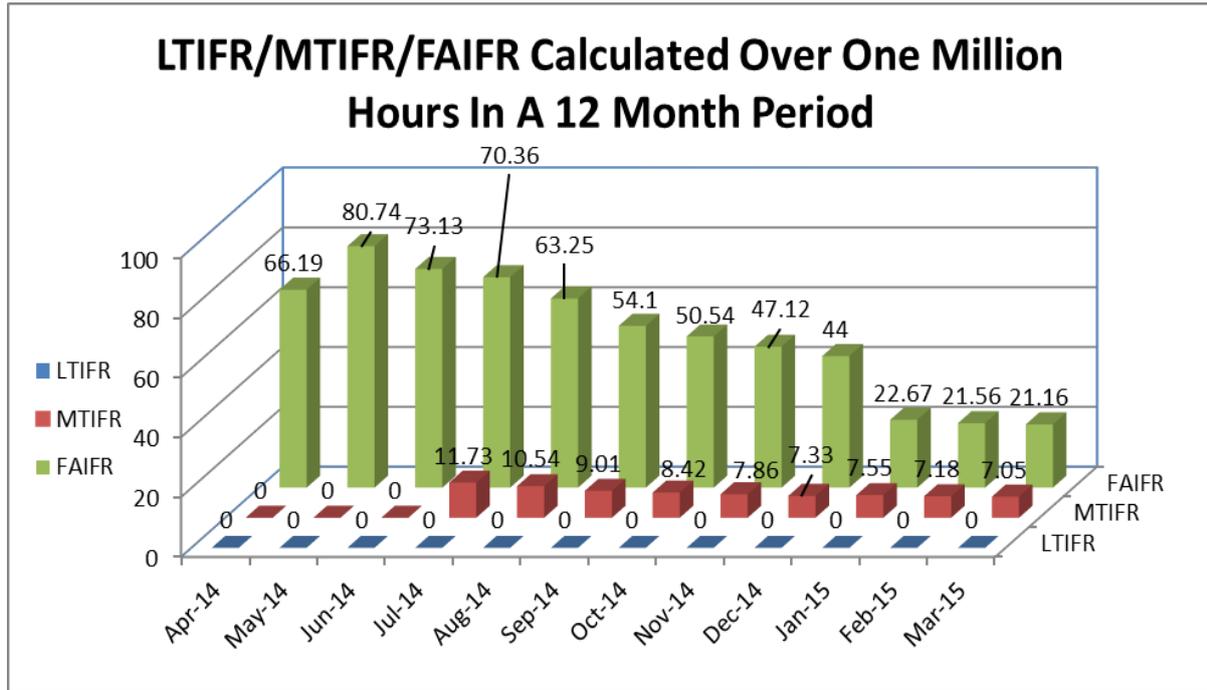
The spread between ammonium paratungstate (APT) and ferrotungsten price continued to narrow over the quarter and as at 13 April ferrotungsten price traded above APT (contained Tungsten comparison). The margin between concentrate prices and ferrotungsten prices continued to grow providing margin improvement opportunities.

However, the continued fall in APT prices which is providing the improved margin through lower concentrate prices may also see ferrotungsten prices dragged lower in the June quarter.



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Safety



Hazelwood's LTIFR sits at **0.0** due to no recordable LTI's for the twelve month period. No LTI's were recorded for the 3rd quarter.

Hazelwood's MTIFR sits at **7.05** with one recorded medical treated injury in the twelve month period. No MTI's were recorded for the 3rd quarter.

Hazelwood's FAIFR is **21.16** with three recorded first aid treated injuries for the twelve month period. No FAI's were recorded for the 3rd quarter.

Our overall TRFIR (Total Recordable Frequency Injury Rate) sits at **4.23** for every million hours worked over a twelve month period.

The Data collected is based on 141,746.5 hours worked over a twelve month period

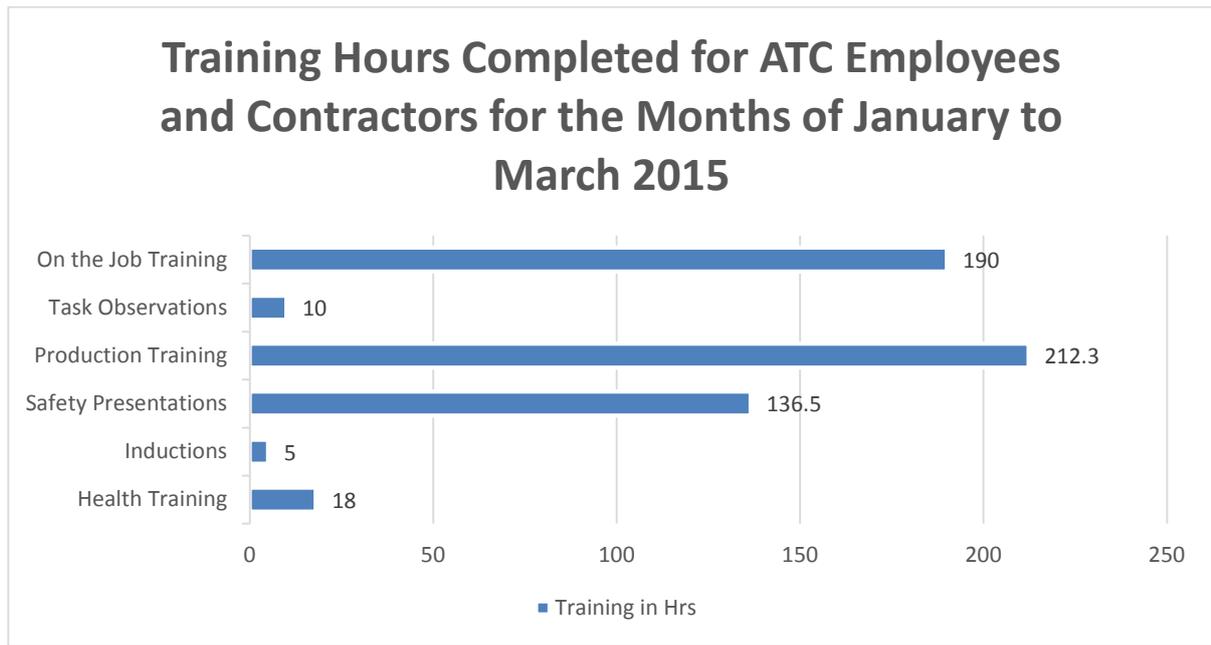
Environment

Hazelwood continue to maintain and show a strong commitment to the protection of the environment in all our operations.

All results from environmental testing have shown that Hazelwood have met all environmental obligations set by governing bodies.

Hazelwood in association with their business partner Asia Tungsten Products Company has continued to improve the Vietnam Tungsten refinery operations dust collection processes and waste water treatment ponds. We are showing a marked improvement in both of these areas due to improvements in our processes.

Training



Training our employees to complete their tasks safely and competently has continued to be a priority for the Hazelwood and ATC management teams.

A training programme that introduces our employees to safe and productive machinery operation has been beneficial in ensuring our next generation of machinery operators are competent, safe and productive in their machinery operation roles.

Training in drug and alcohol awareness in work and family life received very good feedback from all our employees.

Company run training programmes that improve the Health and Safety of employees at home and at work will continue to be developed by our team.

Australian Projects

Minimal expenditure was incurred on the Australian projects during the March 2015 quarter. Work was undertaken with external advisors on future development plans.

Corporate

Voluntary Suspension

Voluntary Suspension of the Company's securities will remain in place until the finalisation of the funding arrangements are concluded.

Financing Update

The Company released a Financing Update informing stakeholders of the renegotiated terms with debt funder Siderian Resources Capital Limited ("Siderian"). The Company plans to use a combination of new equity and debt from other financiers to repay Siderian and raise additional working capital.

Placement

During the quarter, the Company raised a total of \$1,077,700 through a placement.

About Hazelwood

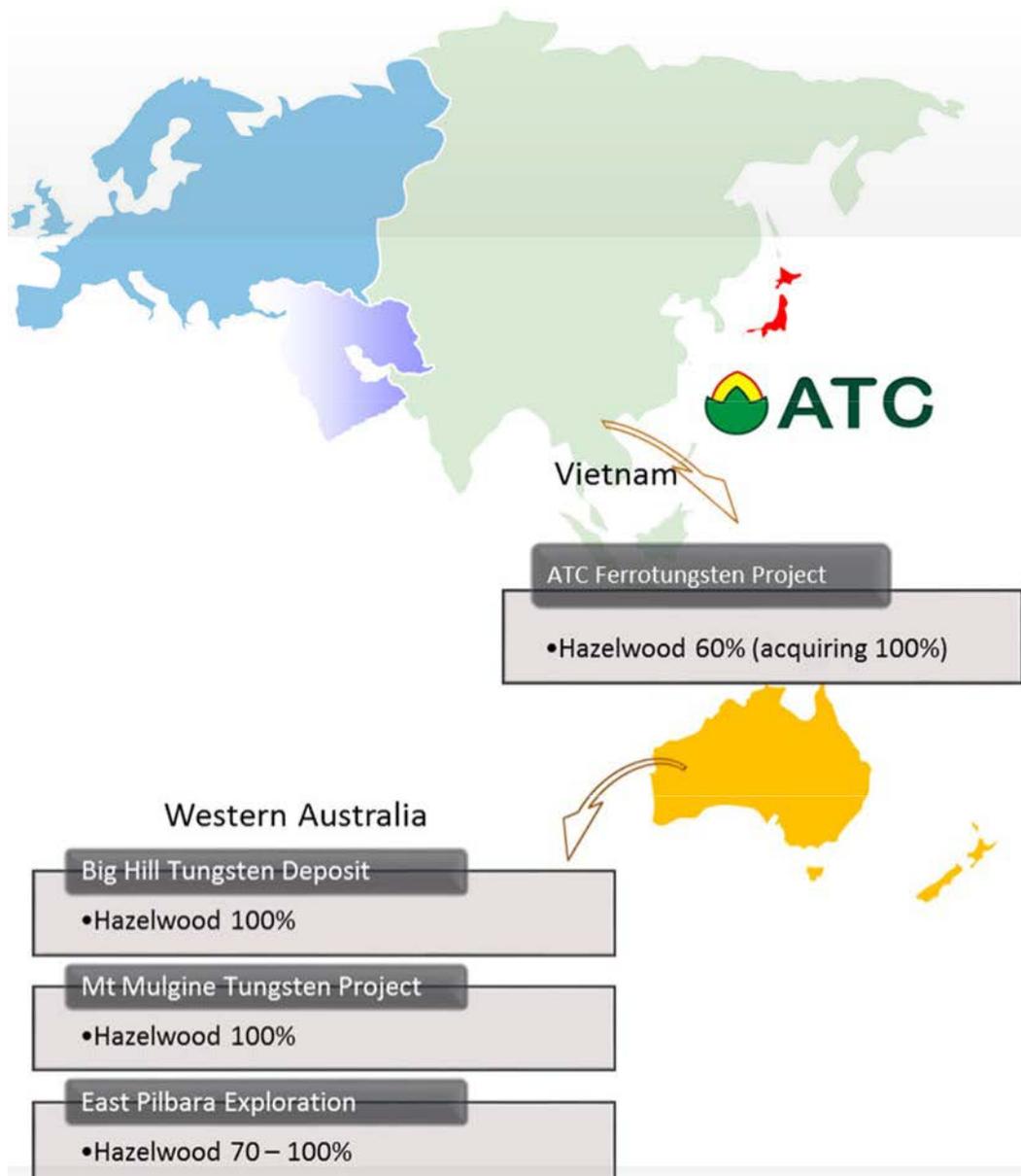
Hazelwood Resources Ltd is a new specialty metals producer with a majority stake in the ATC Ferrotungsten Project in Vietnam. Ferrotungsten is used in the production of high speed steels, tool steel and temperature resistant alloys.

The ATC Ferrotungsten plant is the largest capacity, most advanced facility of its type outside of China, with a highly experienced operations and management team. High quality product from ATC meets the specifications of end-users around the world and the brand has achieved a truly global presence.

With well - established specialty metals production credentials, Hazelwood has the ability to expand into other capital-efficient opportunities in downstream processing. The Company takes pride in the welfare of its workers, the quality of its product, the transparency of its business and its reputation in all theatres in which it operates.

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.



Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

HAZELWOOD RESOURCES LTD

ABN

88 118 738 999

Quarter ended ("current quarter")

31 March 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	2,698	10,963
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration+ marketing	(257) Nil (2,218) (654)	(948) Nil (10,411) (1,998)
1.3 Dividends received	Nil	Nil
1.4 Interest and other items of a similar nature received	Nil	6
1.5 Interest and other costs of finance paid	(266)	(556)
1.6 Income taxes paid	Nil	Nil
1.7 Other – Costs associated with Vietnam production	(181)	(694)
Net Operating Cash Flows	(878)	(3,638)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	Nil Nil (12)	Nil Nil (105)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	Nil Nil 40	Nil Nil 40
1.10 Loans to other entities	Nil	Nil
1.11 Loans repaid by other entities	Nil	Nil
1.12 Other (provide details if material)	Nil	Nil
Net investing cash flows	(12)	(65)
1.13 Total operating and investing cash flows (carried forward)	(890)	(3,703)

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Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(890)	(3,703)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,063	1,063
1.15	Proceeds from sale of forfeited shares	Nil	Nil
1.16	Proceeds from borrowings	Nil	Nil
1.17	Repayment of borrowings	Nil	Nil
1.18	Dividends paid	Nil	Nil
1.19	Other (provide details if material)	Nil	Nil
	Net financing cash flows	1,063	1,063
	Net increase (decrease) in cash held	173	(2,640)
1.20	Cash at beginning of quarter/year to date	64	2,877
1.21	Exchange rate adjustments to item 1.20	Nil	Nil
1.22	Cash at end of quarter	237	237

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	92
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

N/A

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	5,201	5,201
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	160
4.2 Development	-
4.3 Production	4,000
4.4 Administration	600
Total	4,760

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	237	64
5.2 Deposits at call	Nil	Nil
5.3 Bank overdraft	Nil	Nil
5.4 Other (provide details)	Nil	Nil
Total: cash at end of quarter (item 1.22)	237	64

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	N/A		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	N/A		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	N/A	N/A		
7.2	N/A	N/A		
7.3	1,296,818,483	1,296,818,483		
7.4	80,846,667	80,846,667		
	Nil	Nil		
7.5	N/A	N/A		
7.6	N/A	N/A		

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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.7	Options <i>(description and conversion factor)</i>	5,000,000 15,000,000 139,571,432 78,846,667	Nil Nil Nil Nil	<i>Exercise price</i> 25 Cents 5 Cents 5.5 Cents 1.5 Cents	<i>Expiry date</i> 6 August 2015 30 November 2015 27 November 2016 9 March 2017
7.8	Issued during quarter	78,846,667	Nil		
7.9	Exercised during quarter	Nil	Nil		
7.10	Expired during quarter	Nil	Nil		
7.11	Debentures <i>(totals only)</i>	Nil	Nil		
7.12	Unsecured notes <i>(totals only)</i>	Nil	Nil		

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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: Date: 3 July 2015
(Director/Company secretary)

Print name: John Chegwiddden

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.
- 6 The quarterly report has being prepared on a consolidated basis and includes all the subsidiaries (including the 60% owned Asia Tungsten Products Co Ltd (ATC) that operates in Hong Kong & Vietnam).

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