

## HAZELWOOD RESOURCES LTD

### Initial Big Hill Resource Surpasses Expectations

Hazelwood Resources Limited ("Hazelwood", "HAZ", "Company") has released its initial resource for the Company's Big Hill Tungsten deposit in the East Pilbara region of Western Australia.

At a 0.1% tungsten trioxide ("WO<sub>3</sub>") cutoff, the resource totals 8.97Mt @ 0.18% WO<sub>3</sub> for 16.32kt of contained WO<sub>3</sub>, or 1,632,176 metric tonne units ("mtu"). Of this, approximately 36% is in the measured and indicated category. This resource significantly surpassed expectations of ~9kt of contained WO<sub>3</sub> which the Company was targeting. The resource has approximately 70% of the mineralisation within 100m of the surface and is amenable to a low strip, open pit mining operation.

At a lower cutoff of 0.05% WO<sub>3</sub>, the resource contains ~2.5m mtu's. This lower grade resource may be amenable to being upgraded via x-ray ore sorting, allowing for low cost bulk mining of the deposit.

The resource covers ~350m of strike; however, the mineralisation has been identified over an additional 500m of strike to the east and is still open in all directions. Consequently, we expect that with further infill and extensional drilling, both the size and confidence level of the resource will increase.

Fig. 1: Initial Big Hill Resource at 0.1% WO<sub>3</sub> Cutoff

	Mt	%WO <sub>3</sub>	Cont. WO <sub>3</sub> (t)	MTU
Measured	1.56	0.20	3,193	319,260
Indicated	1.32	0.19	2,546	254,567
Inferred	6.09	0.16	9,808	980,812
Total	8.97	0.17	15,527	1,552,675

Source: Hazelwood Resources Limited

### Indicates Potential for +5 Year Mine Life

The Company has a conceptual production plan of ~200kMTU's per annum. Assuming a 65% resource to reserve conversion, which we see as conservative due to the low strip ratio and potential to upgrade the ore via radiometric sorting, the deposit has the potential for at least a five year mine life.

Tungsten is priced in mtu's, where one mtu is equal to one tonne at one per cent WO<sub>3</sub>. Using a current tungsten concentrate price of ~US\$130/mtu, the Big Hill resource has an in ground value of ~US\$200m. At the proposed production rate of 200k mtu's per annum, annual revenue would be ~US\$26m.

### Scoping and Feasibility Studies Commenced

The Company has commenced a preliminary operating cost estimate, equivalent to a scoping study, for the development of Big Hill. The estimate will examine open pit mining and a simple gravity processing circuit. Testwork completed to date has indicated that a high purity tungsten concentrate can be produced from Big Hill. We would expect this estimate to be completed by mid year. The Company has also commenced elements of a prefeasibility study ("PFS"), with the full PFS due to be completed by the end of CY09.

21 Apr 2009

**Share Price (last):** \$0.17

#### Brief Business Description

Tungsten Developer Explorer

#### Hartleys Brief Investment Conclusion

Developing the mid scale, high quality Big Hill Tungsten project

<b>Issued Capital</b>	101.6m
- fully diluted	107.6m
<b>Market Cap</b>	\$17.3m
- fully diluted	\$18.3m
<b>Cash (30 Dec 2008)</b>	\$2.0m
<b>EV</b>	\$15.3m

#### Main Projects

Cookes Creek (WA)	Tungsten
Cookes Creek (WA)	Ni, Iron Ore
Arthour River	U, Rare metals

#### Board & Management

Mark McAuliffe (Exec. Chairman)

Terry Butler-Blaxell (Tech. Dir.)

Ian Richer (Non-Exec. Dir.)

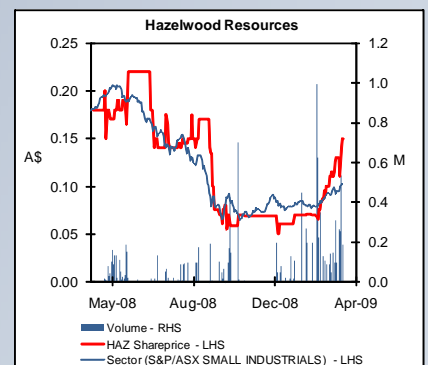
John Chegwiddden (Non-Exec. Dir., Co. Se

#### Top Shareholders

Valentino Nominees Pty Ltd	14.2%
Creekwood Nominees Pty Ltd	7.9%
Jemaya Pty Ltd	7.4%

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Hartleys has provided corporate advice within the past 12 months and continues to provide corporate advice to Hazelwood Resources Limited. See back page for full disclosure.

# HARTLEYS RESEARCH COVERAGE LIST

Hartleys Research Coverage							
Name	Ticker	Last Price*	M. CAP (A\$m)	EV (A\$m)	Hartleys Research Recommendation	Industry	
<b><u>Oil &amp; Gas</u></b>							
1.	Woodside Petroleum Ltd	WPL	36.90	25,777	28,674	Buy	Major
2.	Carnarvon Petroleum Ltd	CVN	0.375	253	186	Buy	Producer / Explorer
3.	Nexus Energy Ltd	NXS	0.380	245	410	Speculative Buy	Developer / Explorer
4.	Tap Oil Ltd	TAP	0.790	124	70	Buy	Producer / Explorer
5.	Cooper Energy Ltd	COE	0.335	98	6	Buy	Producer / Explorer
6.	Amadeus Energy Ltd	AMU	0.345	69	146	Buy	Producer / Explorer
7.	Strike Oil Ltd	STX	0.180	59	53	Hold	Explorer / Producer
8.	Red Fork Energy Ltd	RFE	0.490	44	40	Buy	Explorer / Producer
9.	Oilex Ltd	OEX	0.245	43	28	Buy	Explorer / Producer
10.	First Australian Resources Ltd	FAR	0.053	31	26	Speculative Buy	Explorer / Producer
11.	Sun Resources NL	SUR	0.058	13	10	Speculative Buy	Explorer / Producer
12.	Adelphi Energy Ltd	ADI	0.050	7	0	Speculative Buy	Junior
Sub-Total				26,763	29,649		
<b><u>Resources</u></b>							
1.	Western Areas NL	WSA	4.62	777	960	Buy	Nickel
2.	Riversdale Mining Limited	RIV	4.02	757	431	Speculative Buy	Coal
3.	Andean Resource Ltd	AND	1.65	668	640	Speculative Buy	Gold Developer
4.	Dominion Mining Limited	DOM	5.24	539	591	Speculative Buy	Gold
5.	Atlas Iron Limited	AGO	1.31	391	409	Buy	Iron Ore
6.	Sundance Resources Limited	SDL	0.091	173	140	Speculative Buy	Iron Ore Developer
7.	Jabiru Metals Limited	JML	0.235	117	113	Buy	Zinc-Copper
8.	Intrepid Mines Limited	IAU	0.250	107	85	Speculative Buy	Gold
9.	Emmerson Resources Limited	ERM	0.150	31	19	Speculative Buy	Junior Explorer
10.	Ausquest Limited	AQD	0.125	28	-2	Speculative Buy	Junior Explorer
11.	Hazelwood Resources Ltd	HAZ	0.170	18	16	Speculative Buy	Junior Explorer
12.	Southern Gold Limited	SAU	0.090	11	9	Speculative Buy	Junior Explorer
13.	Shaw River Resources Limited	SRR	0.070	9	6	Speculative Buy	Junior Explorer
14.	Gold One International Limited	GDO	nm	0	0	nm	nm
Sub-Total				3,627	3,418		
<b><u>Industrials</u></b>							
1.	West Australia News Hdgs Ltd	WAN	4.73	973	1,306	Buy	Media
2.	Monadelphous Group Limited	MND	9.980	835	706	Neutral	Mining Services
3.	Clough Limited	CLO	0.560	374	420	No Rating	Oil & Gas Services
4.	Macmahon Holdings Limited	MAH	0.575	308	339	Buy	Mining & Civil Construction
5.	Fleetwood Corporation	FWD	5.99	302	313	Buy	Consumer & Mining Services
6.	Mermaid Marine Australia Ltd	MRM	1.495	272	324	Buy	Oil & Gas Services
7.	Ausdrill Limited	ASL	1.03	179	347	Buy	Mining Services
8.	NRW Holdings Ltd	NWH	0.640	155	208	Speculative Buy	Mining & Civil Construction
9.	Neptune Marine Ltd	NMS	0.485	142	172	Speculative Buy	Marine Services
10.	Cash Converters Ltd	CCV	0.405	98	100	Buy	Retail & Consumer Finance
11.	Southern Cross Electrical	SXE	0.780	94	70	Neutral	Mining & Civil Construction
12.	Imdex Ltd	IMD	0.390	73	95	Buy	Oil & Gas / Mining Services
13.	GRD Limited	GRD	0.375	72	107	Buy	Mining & Civil Services
14.	Nomad Building Solutions Ltd	NOD	0.500	68	94	Speculative Buy	Residential & Mining Services
15.	Lycopodium Limited	LYL	1.545	58	55	Buy	Mining & Industrial Services
16.	RCR Tomlinson Ltd	RCR	0.415	51	111	Buy	Mining & Industrial Services
17.	Swick Mining Services Ltd	SWK	0.320	49	103	Speculative Buy	Mining Services
18.	Paladio Group Ltd	PDO	0.250	29	25	No rating	Mining & Civil Construction
19.	VDM Group Limited	VMG	0.250	28	112	Speculative Buy	Mining & Civil Construction
Sub-Total				4,159	5,005		
GRAND TOTAL				34,549	38,072		

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## Hartleys Recommendation Categories

No Rating	No recommendation.
Buy	Share price appreciation anticipated
Speculative Buy	Share price appreciation anticipated but it is higher risk than a "Buy". For the share price to rise it may be contingent on the outcome of an uncertain or distant event.
Neutral	Take no action. Stock is already trading near the share price target and there are no foreseeable near term catalysts.
Reduce / Take profits	Stock is trading above the share price target and there is a near term negative catalyst that could cause temporary weakness.
Sell	Significant price depreciation anticipated

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Hartleys has provided corporate advice to Hazelwood Resources Limited ("Hazelwood") within the last 12 months for which it has received fees and continues to receive fees.

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