



28 Apr 2009

X-ray Sorting is effective on low grade feed from Big Hill Tungsten Deposit

X-ray sorting trials have now been successfully conducted on a wider practical range of feed sizes on low grade feed from the Big Hill Tungsten Deposit.

This pre-concentration technique allows the upgrading of low grade material into mill feed, providing the potential for a bulk mining and processing operation that exploits the entire mineralised sequence at Big Hill.

At a lower cut-off grade of 0.05% WO₃, the Big Hill Tungsten Deposit hosts a total Mineral Resource of 21.83 million tonnes @ 0.11% WO₃ for approximately 2.5 million metric tonne units of contained tungsten (refer Table 1). The deposit outcrops at surface with a shallow dipping geometry and the Resource is mostly within 100 metres of the surface.

The latest X-ray sorting results, conducted on representative samples of crushed, low grade drill core have now confirmed that significant upgrading can be effected on feed sizes up to 60 millimeters.

The overall results, calculated across all size fractions, indicate:

- Upgrading of low grade feed (0.09% WO₃) by more than two times to 0.21% WO₃ to provide mill feed; the results are more dramatic on the finer sized fractions.
- Rejection of approximately 60% of the feed to a throw-away tail containing just 0.01% WO₃; on the finer fractions, rejection of 80% or greater is achieved.
- Tungsten recovery of 94.6% to the upgraded mill feed (Figure 1).

X-ray and optical sorting pre-concentration techniques have been successfully applied at operating tungsten mines. The benefits of this technique include ;

- Reduction in the size of the milling and beneficiation circuit required at a given scale and grade of operation.
- Reduced grinding costs.
- Reduced demand for water.
- Reduction in the size of wet tailings storage facilities.

X-ray sorting is likely to be integrated into the Big Hill processing flowsheet to assess the cost and operational benefits of using this technique. In the interim, an operating cost model based on the existing process flowsheet (without X-ray sorting) is being developed, which is suited to the higher grade Tungsten Resource at Big Hill (cut off grade 0.1% WO₃ refer Table 1).

Tungsten concentrate prices have stabilised at around \$US130 per metric tonne unit, although within China, tungsten concentrate prices are on the rise according to *Metal Pages*.

Representative samples of drill core from the recent Resource drilling program at Big Hill were crushed to provide a feed size of between 60mm and 10mm (-60mm to +10mm). The sized material was fed to a pilot scale X-ray ore sorting machine in separate runs for each size fraction.

Overall X-ray sorting performance, calculated from the results on each size fraction is shown below (Fig 1). Low grade feed was upgraded by more than two times and 58% of the feed was successfully rejected to a throw-away tail with minimal losses of tungsten.

Further X-ray sorting tests are planned on higher grade feed, consistent with the higher grade Resource reported for Big Hill at a cut-off of 0.1% WO_3 (refer Table 1).

Crushed material that is too fine to be practically x-ray sorted (<10mm) is amenable to pre-concentration by dense media separation if required. Hazelwood has previously demonstrated the efficacy of dense media separation on fine crushed samples from the Big Hill Tungsten Deposit.

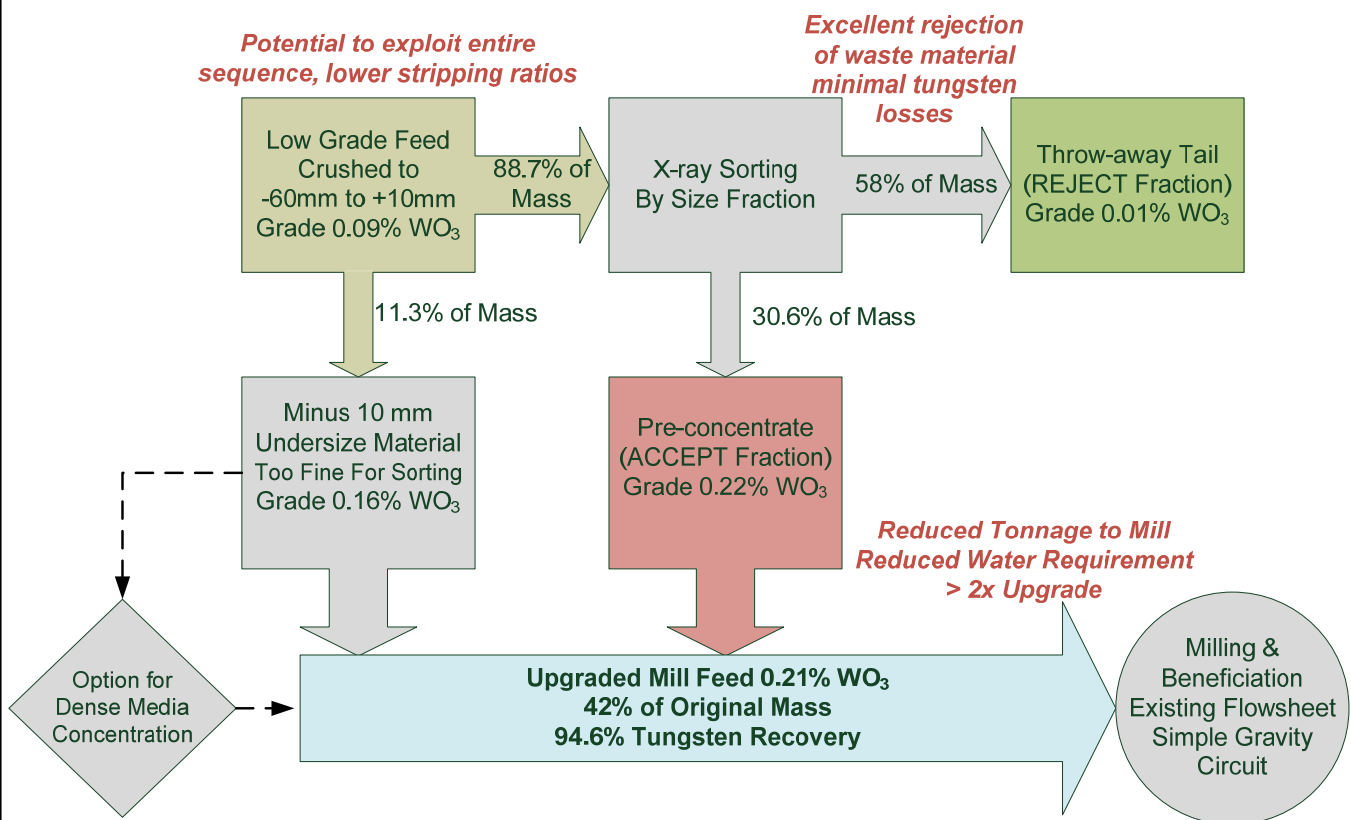


Figure 1. Overall performance of X-ray pre-concentration trials on low grade samples from Big Hill.

1. 207kg sample of unoxidised half HQ core crushed and screened at Nagrom to provide -60mm +10mm size fractions
2. Test charges of 20kg in pilot scale x-ray transmission ore sorter at Applied Sorting in Victoria.
3. Assay of Accept and Reject fractions by fusion XRF detection limit 0.005% W.
4. Head assay (feed) is back -calculated.
5. X-ray Sorting trials are yet to be completed on higher grade material.

The information in this report that relates to exploration results, mineral resources or ore reserves has been compiled by Mr Terence Butler-Blaxell MAust IMM who is a director 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 2004 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.

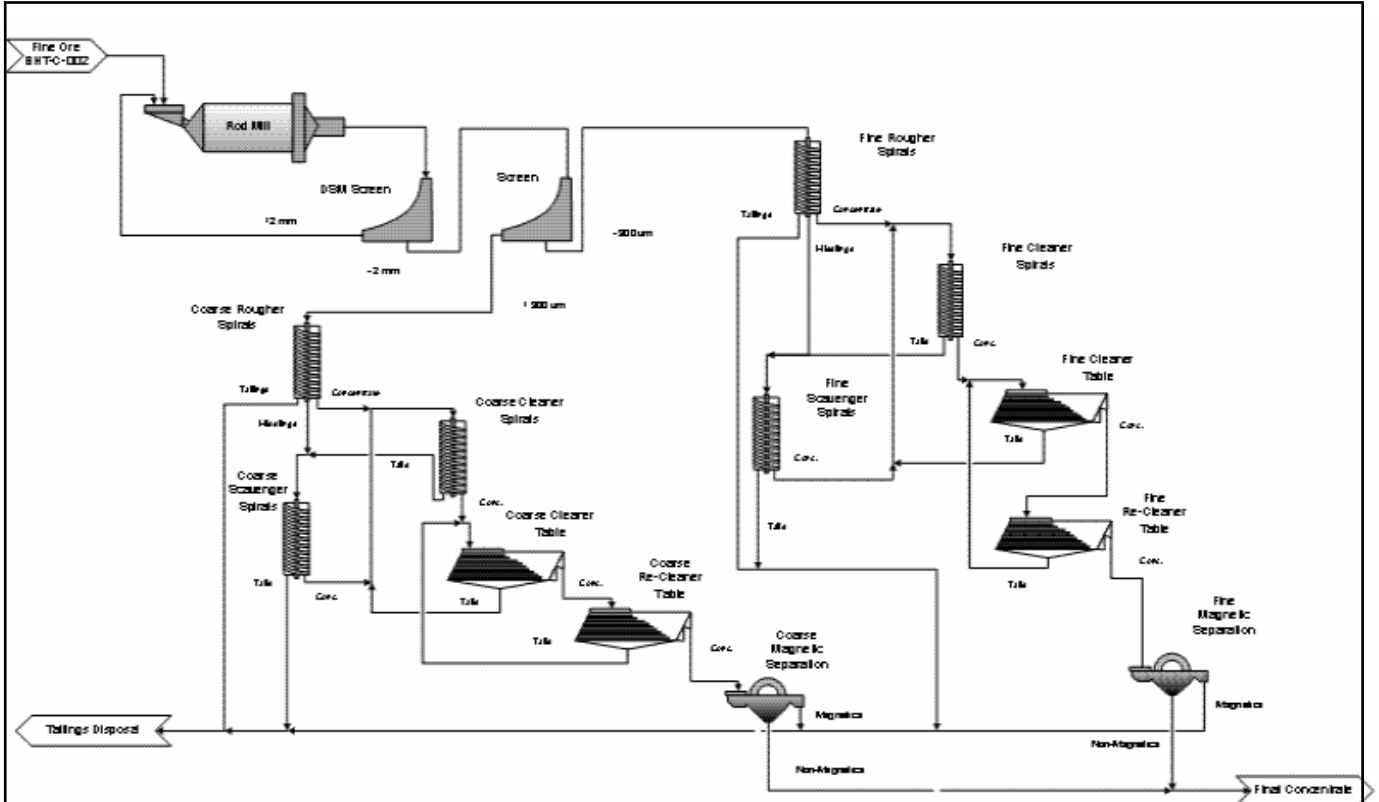


Figure 2. Existing Milling & Beneficiation Processing Flowsheet. Performance may be enhanced by X-ray sorting.

Table 1. Big Hill Mineral Resource at 0.1% and 0.05% WO₃ cut-off grades. For full details of the Mineral Resource estimate refer to announcement dated 21 April 2008.

0.1% cut-off	Mt	% WO ₃	mtu
Measured	1.56	0.20	319,260
Indicated	1.32	0.19	254,567
Inferred	6.09	0.16	980,812
Total	8.97	0.17	1,552,675

0.05% cut-off	Mt	% WO ₃	mtu
Measured	3.14	0.14	433,596
Indicated	2.98	0.12	373,000
Inferred	15.71	0.11	1,680,542
Total	21.83	0.11	2,488,734

