

24 May 2010

HAZELWOOD RAISES \$7.5M TOWARDS CONSTRUCTION OF FERROTUNGSTEN PLANT IN VIETNAM

KEY POINTS:

- Hazelwood raises \$7.5m to meet its commitments under the ATC Ferrotungsten Joint Venture
- Stage One of the ATC Ferrotungsten Project in Vietnam is progressing according to schedule
- Construction is expected to be completed by the end of 2010 with first sales in early 2011
- Hazelwood has received strong interest in the new project despite difficult market conditions

Hazelwood Resources Ltd (ASX: HAZ), has announced a \$7.5 million capital raising for the purpose of continuing its construction commitments under a joint venture to establish a new ferrotungsten plant in Vietnam. International and domestic institutional and sophisticated investor clients of Hartleys Limited are participating in the placement. Hartleys Limited is Broker to the Offer.

“Hazelwood is pleased by the strong support received from investors for Hazelwood’s integrated tungsten business strategy, particularly in light of recent weakness in global financial markets”, commented Hazelwood’s Managing Director Terry Butler-Blaxell.

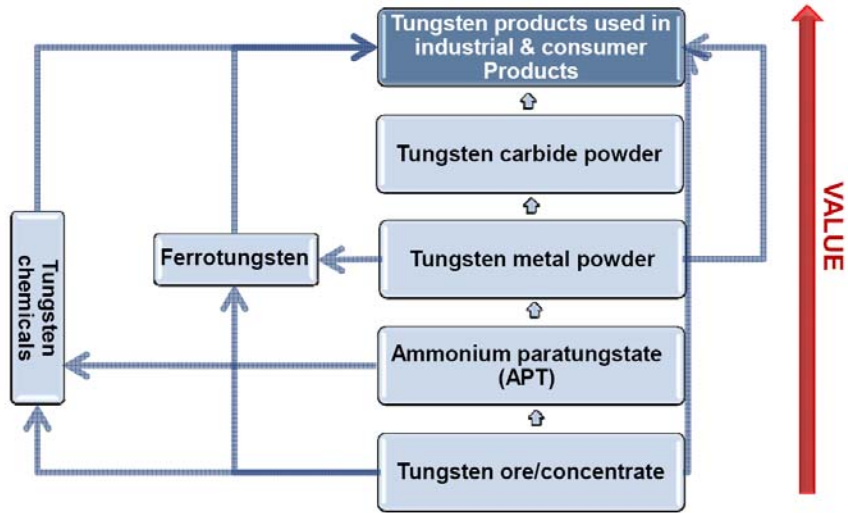
Stage One of the ATC Ferrotungsten Project is expected to be complete by the end of 2010 and is scheduled to make its first sales of ferrotungsten in early 2011. Stage One will rely on feedstock from external sources and has a capacity of 2.4 million kg of contained tungsten in the form of 80% grade ferrotungsten.

Hazelwood recently completed a pre-feasibility study for its 100% owned Big Hill Tungsten Deposit in Western Australia. The results provided a strong case for the development of Big Hill to provide a secure supply of high purity feedstock for a second stage expansion of the ferrotungsten plant in 2012.

“We aim to excel at this first venture in the downstream processing of tungsten, and are currently examining several other downstream processing opportunities available to Hazelwood through our majority position in ATC.”, said Mr Butler-Blaxell.



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The Tungsten Value Chain- source: CRU

FURTHER INFORMATION:

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