



A.C.N. 118 738 999

Quarterly Activities Report  
for the period ending  
30 September 2008

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## Announcements During the Quarter

30 Sep 2008	Extension of Short Form Prospectus Closing Date
30 Sep 2008	Full Year Statutory Accounts
24 Sep 2008	Drilling Update Cookes Creek Tungsten Project
18 Sep 2008	Tungsten Project Brochure
02 Sep 2008	Big Hill Shows Extensive Tungsten Mineralisation at Depth
01 Sep 2008	Extension of Short Form Prospectus Closing Date
19 Aug 2008	Progress Report
18 Aug 2008	Extension of Short Form Prospectus Closing Date
15 Aug 2008	Issue of Shares and Unlisted Options
08 Aug 2008	Results of Meeting
08 Aug 2008	Issue of Shares and Unlisted Options
30 Jul 2008	Quarterly Report 30 June 2008
22 Jul 2008	Second Rig Commences Drilling at Cookes Creek
15 Jul 2008	Bonanza Tungsten Values at Mcleods
10 Jul 2008	Mailout to Shareholders
10 Jul 2008	Big Hill Tungsten Drilling Rapidly Advances
09 Jul 2008	Response to ASX Appendix 3Y Query
08 Jul 2008	Appendix 3B
03 Jul 2008	Short Form Prospectus
03 Jul 2008	Change of Directors Interest Notice
01 Jul 2008	Evaluation Drilling Underway at Big Hill Tungsten Deposit



31 Oct 2008

Status: ASX Listed Public Co.

GICS Sector: Materials

GICS Industry : Metals & Mining

ASX Code: HAZ

### Directors

Mark McAuliffe	Executive Chairman
John Chegvidden	Non Executive Director
Ian Richer	Non Executive Director
Terry Butler-Blaxell	Technical Director

## Quarterly Activities Summary

### Intensive RC and Diamond Drilling Program at Big Hill

#### Early Drilling Results Confirm Significance of Deposit

#### Significant Progress Towards Maiden JORC Estimate

#### Second Bulk Processing Trial Scheduled

During the quarter the Company continued with a significant evaluation drilling program at the Cookes Creek Tungsten Project, focusing on the Big Hill Tungsten Deposit.

Two Reverse Circulation (RC) drilling rigs and two diamond rigs were active on the deposit, completing an intensive pattern of drilling to derive data for a reliable Mineral Resource estimate that can be reported in accordance with JORC.

The program commenced at the end of the June quarter and to the date of this report, a further 71 RC holes and nine diamond core holes for a total advance of 6,478 metres have been completed.

Results have been received for some of the drilling at the near surface parts of the deposit, and have exceeded expectations. Diamond core drilling to test the down-dip extensions has confirmed the presence of coarse scheelite (tungsten) mineralisation at depth.

Approximately 20 per cent of the assays have been received with a large number pending at the time of this report.

Several tonnes of material from Big Hill has been submitted for processing to produce additional samples of high quality concentrate for analysis by end-users. The current processing trial will also test the validity of the existing process flowsheet.

The Company has also received Ministerial endorsement of certain tenements at Cookes Creek for Iron Ore. Heritage clearance was previously obtained over prospective iron formations on the tenements.

# Cookes Creek Tungsten

## Intensive Drill Campaign Completed

Reverse Circulation (RC) and diamond core drilling continued at the Big Hill Tungsten deposit during the quarter.

This intensive program which commenced towards the end of the last reporting period, is expected to provide sufficient data to enable the reliable estimation of a Mineral Resource.

Two RC and two diamond core rigs were active on the project and the drilling concluded during early October. A total of 71 RC holes for 4,748 metres and nine core holes for approximately 1,730 metres were drilled.

The Cookes Creek Tungsten Project has been tested by more than 160 drillholes for an aggregate of more than 11,000 metres. The majority of the drilling at Cookes Creek has tested within only 100 metres of the surface.

## Early Results Exceed Expectations

Assay results have been received from the first 13 RC holes of the current program. The results have exceeded expectations. Amongst the significant results;

**40m @ 0.20% WO<sub>3</sub> from 3m in hole 08BHR013**

**28m @ 0.28% WO<sub>3</sub> from 59m in hole 08BHR009**

**12m @ 0.32% WO<sub>3</sub> from 28m also in 08BHR009**

**13m @ 0.35% WO<sub>3</sub> from 35m in hole 08BHR004**

**11m @ 0.35% WO<sub>3</sub> from 0m in hole 08BHR002**

**11m @ 0.35% WO<sub>3</sub> from 56m in hole 08BHR012**

**21m @ 0.21% WO<sub>3</sub> from 22m in hole 08BHR003**

**51m @ 0.17% WO<sub>3</sub> from 0m in hole 08BHR011**

**73m @ 0.11% WO<sub>3</sub> from 30m in hole 08BHR007**

Approximately 80 per cent of the assays are pending at the time of this report, with the majority expected to be received during the December quarter of 2008.

The mineralisation at Big Hill consists of high quality coarse grained scheelite, which has been shown to have excellent metallurgical response.

The Big Hill Tungsten Deposit is free from contaminants such as Arsenic, Tin, Molybdenum, Tantalum, Bismuth and base metals.

## Depth Extensions To Big Hill

Assay results are pending for step-under diamond core holes drilled during the current program. Visual observation of core with an ultraviolet lamp has shown strong indications of continuity at depth.

Coarse grained scheelite has been observed in all of the step-under holes over significant apparent widths. The coarse grained nature of the tungsten mineralisation is consistent with that observed in the near surface parts of the deposit, and is advantageous from a processing perspective.

## Second Processing Trial

Several tonnes of composited drill samples and material excavated from costeans has been submitted to a mineral processing facility.

This processing trial, which is expected to be completed during November 2008, will test the validity of the current process flowsheet. Hazelwood has previously produced market samples of high purity scheelite using commercial sized equipment.

The tungsten mineralisation at Big Hill has been shown to have excellent metallurgical response using simple gravity separation techniques.

Additional samples of market concentrate will be produced during the current trial, in response to requests from end-users.



**Coarse scheelite in 08BHD001 at 89m down-hole**

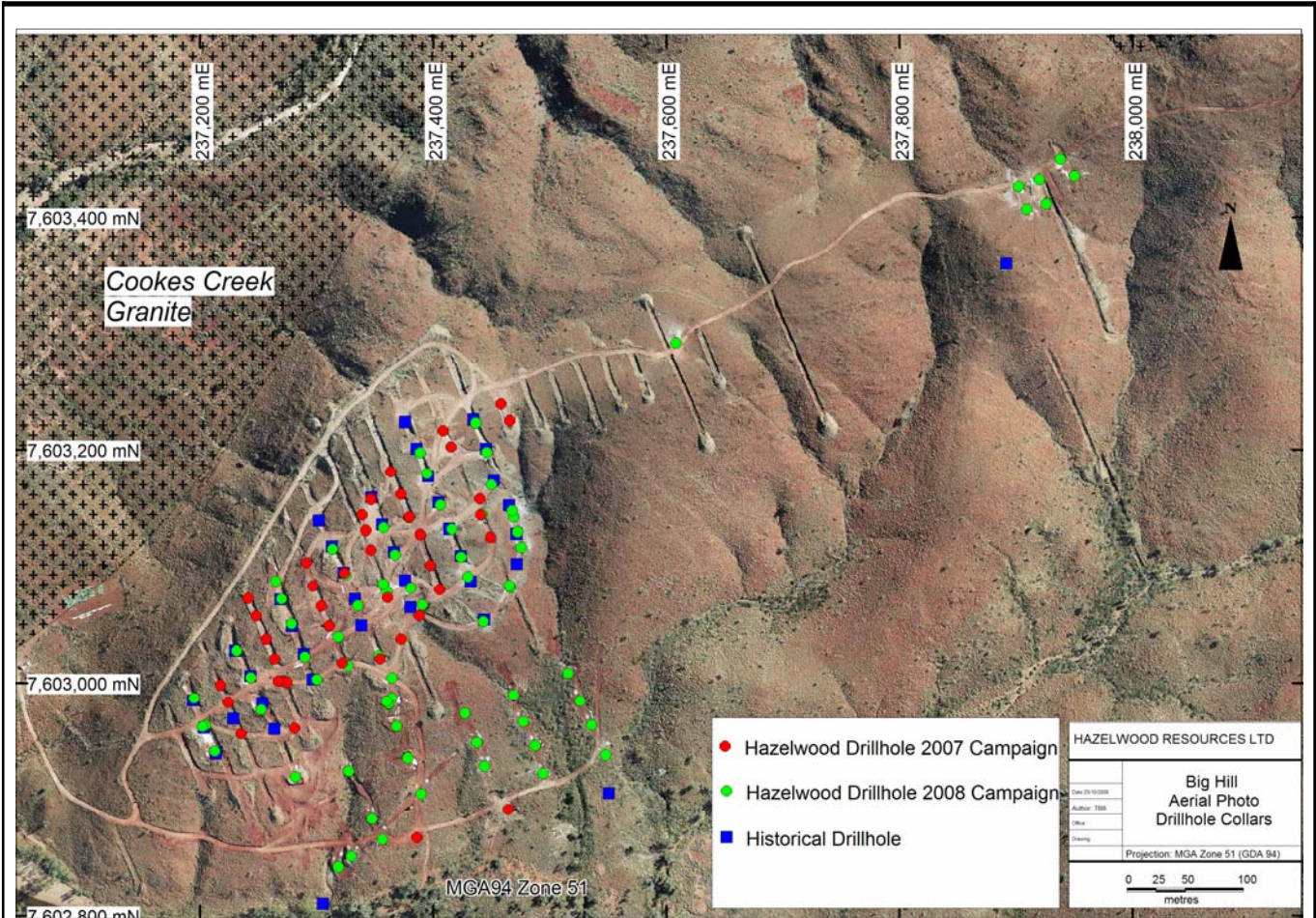


Figure 1. Big Hill Tungsten Deposit. Aerial Photo showing drillhole collar positions by campaign



RC drilling in exploration trench at Big Hill - July 2008



Diamond core drilling at Big Hill - September 2008

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 full time employee 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.

Table 1. RC Drillhole Details Big Hill Evaluation Drilling

Hole_ID	Easting (MGA94)	Northing (MGA94)	Decl	Azim	Depth (m)	Hole_ID	Easting (MGA94)	Northing (MGA94)	Decl	Azim	Depth (m)
08BHR001	237389	7603198	-60	157.5	32	08BHR037	237325	7603093	-70	152	53
08BHR002	237395	7603180	-59	165	50	08BHR038	237909	7603407	-60	150	113
08BHR003	237367	7603110	-60	157	74	08BHR039	237902	7603426	-60	162	140
08BHR004	237406	7603153	-60	154	52	08BHR040	237926	7603412	-60	157.5	65
08BHR005	237446	7603198	-60	163	53	08BHR041	237920	7603432	-60	159	100
08BHR006	237436	7603223	-60	156	22	08BHR042	237950	7603435	-60	159	100
08BHR007	237424	7603108	-60	157.5	125	08BHR043	237938	7603450	-60	158	50
08BHR008	237430	7603091	-65	158	132	08BHR044	237327	7603015	-60	158	116
08BHR009	237416	7603132	-60	159.5	92	08BHR045	237353	7603024	-60	336	59
08BHR010	237450	7603170	-90	0	81	08BHR046	237357	7603085	-70	337.5	44
08BHR011	237357	7603133	-60	157.5	53	08BHR050	237608	7603292	-40	160	102
08BHR012	237335	7603067	-70	158	73	08BHR051	237469	7602990	-60	169	54
08BHR013	237314	7603115	-60	157.5	44	08BHR052	237477	7602967	-60	155	54
08BHR014	237278	7603051	-60	153	80	08BHR053	237487	7602946	-60	158	54
08BHR015	237270	7603072	-60	158	50	08BHR054	237494	7602922	-60	160	54
08BHR016	237265	7603087	-60	162	35	08BHR055	237515	7603009	-60	158	54
08BHR017	237364	7603005	-90	0	85	08BHR056	237526	7602985	-60	159	54
08BHR018	237300	7603003	-90	0	68	08BHR057	237536	7602964	-60	167	54
08BHR019	237243	7603005	-60	154	83	08BHR058	237548	7602938	-60	159	54
08BHR020	237231	7603028	-59	155	50	08BHR059	237437	7602949	-60	158	54
08BHR021	237252	7602977	-60	155	107	08BHR060	237444	7602928	-60	157	54
08BHR022	237204	7602963	-60	159	68	08BHR061	237361	7602982	-60	158	6
08BHR023	237195	7602987	-60	158	50	08BHR062	237360	7602985	-60	158	6
08BHR024	237212	7602941	-60	159	107	08BHR063	237368	7602963	-60	157	54
08BHR025	237202	7602962	-60	158.5	74	08BHR064	237378	7602935	-60	158	54
08BHR026	237469	7603142	-60	159	71	08BHR065	237389	7602905	-60	157.5	54
08BHR027	237472	7603130	-60	159	89	08BHR066	237327	7602924	-60	160	54
08BHR028	237468	7603148	-90	0	35	08BHR067	237347	7602883	-60	160	54
08BHR029	237475	7603116	-60	170	119	08BHR068	237356	7602865	-60	158	54
08BHR030	237466	7603082	-90	0	74	08BHR069	237330	7602851	-60	157.5	54
08BHR031	237443	7603053	-90	0	80	08BHR070	237319	7602842	-60	159	54
08BHR032	237381	7603082	-60	157.5	90	08BHR071	237282	7602919	-60	157.5	54
08BHR033	237391	7603067	-60	157.5	134	08BHR072	237442	7603145	-60	337.5	38
08BHR034	237290	7603023	-60	158	98	08BHR073	237465	7603084	-30	337.5	6
08BHR035	237319	7603039	-60	169	104	08BHR074	237364	7602987	-60	337.5	54
08BHR036	237360	7603078	-60	157.5	36						

**Notes to accompany Tables 1 & 2:**

1. RC holes 08BHR001 to 08BHR046 are 4.5 inch diameter. RC holes 08BHR050 onwards are 5.25 inch diameter.
2. All RC holes drilled using face sampling hammer.
3. Diamond core holes prefixed 08BHRD are pre-collared to 54 metres by RC drilling
4. Core size is HQ diameter.
5. Collar positions have been established using licensed surveyor, grid system MGA94 Zone 51.
6. Azimuths are magnetic degrees. Downhole surveys by multishot camera and Eastman single shot camera.

**Table 2. Diamond Core Drillhole Details Big Hill Evaluation Drilling**

Hole_ID	Easting (MGA94)	Northing (MGA94)	Decl	Azim	Depth (m)
08BHD001	237361	7602982	-60	158	158.5
08BHD002	237427	7602974	-60	160	218.6
08BHRD051	237469	7602990	-60	169	232.67
08BHRD053	237487	7602946	-60	158	269.2
08BHRD057	237536	7602964	-60	167	267.3
08BHRD060	237444	7602928	-60	157	280.8
08BHRD064	237378	7602935	-60	158	215.8
08BHRD066	237327	7602924	-60	160	197.7
08BHRD067	237347	7602883	-60	160	267.8

**Table 3. Significant Tungsten Intercepts Big Hill Evaluation Drilling**

Hole_ID	From (m)	To (m)	Length (m)	WO <sub>3</sub> %
<b>08BHR001</b>	0	2	<b>2</b>	<b>0.9</b>
	20	25	5	0.22
<b>08BHR002</b>	0	11	<b>11</b>	<b>0.35</b>
<b>including</b>	8	10	<b>2</b>	<b>0.95</b>
	16	21	5	0.12
	29	31	2	0.21
	36	38	2	0.14
	40	41	1	0.15
<b>08BHR003</b>	4	10	6	0.11
	13	18	5	0.12
	22	43	<b>21</b>	<b>0.21</b>
<b>including</b>	27	33	<b>6</b>	<b>0.48</b>
	57	59	2	0.11
	62	71	<b>9</b>	<b>0.33</b>
<b>08BHR004</b>	12	16	<b>4</b>	<b>0.52</b>
<b>including</b>	13	15	<b>2</b>	<b>0.96</b>
	21	23	2	0.13
	28	30	2	0.68
	35	48	<b>13</b>	<b>0.35</b>
<b>including</b>	44	48	<b>4</b>	<b>0.88</b>
<b>08BHR005</b>	0	3	3	0.2
	9	14	5	0.21
	17	19	2	0.16
	24	34	<b>10</b>	<b>0.28</b>
<b>08BHR006</b>	1	5	4	0.38
<b>08BHR007</b>	1	7	6	0.12
	11	13	2	0.13
<b>08BHR007</b>	30	103	<b>73</b>	<b>0.11</b>
<b>including</b>	88	103	<b>15</b>	<b>0.25</b>
<b>and</b>	54	56	2	0.23
	106	112	6	0.12

Hole_ID	From (m)	To (m)	Length (m)	WO <sub>3</sub> %
<b>08BHR008</b>	4	18	14	0.14
<b>including</b>	13	14	1	0.47
	35	36	1	0.11
	41	42	1	0.14
	69	77	8	0.17
<b>including</b>	72	77	5	0.2
	80	81	1	0.14
	87	89	2	0.3
	94	97	3	0.12
	120	121	1	0.37
<b>08BHR009</b>	7	40	33	0.16
<b>including</b>	28	40	<b>12</b>	<b>0.32</b>
	59	87	<b>28</b>	<b>0.28</b>
<b>08BHR010</b>	0	26	26	0.18
<b>including</b>	0	20	20	0.21
<b>and</b>	2	14	12	0.26
<b>08BHR011</b>	0	51	<b>51</b>	<b>0.17</b>
<b>including</b>	28	51	<b>23</b>	<b>0.2</b>
<b>and</b>	8	18	<b>10</b>	<b>0.22</b>
<b>08BHR012</b>	0	26	26	0.13
<b>including</b>	6	14	8	0.22
	32	52	<b>20</b>	<b>0.17</b>
<b>including</b>	44	52	<b>8</b>	<b>0.29</b>
	56	67	<b>11</b>	<b>0.35</b>
<b>including</b>	57	59	2	1.26
<b>08BHR013</b>	3	43	<b>40</b>	<b>0.2</b>
<b>including</b>	34	43	<b>9</b>	<b>0.52</b>
<b>and</b>	40	43	<b>3</b>	<b>0.97</b>
<b>08BHR014</b>	1	11	10	0.09
	14	19	5	0.1
	22	31	9	0.1
	37	39	2	0.1
	42	44	2	0.1
	51	52	1	0.12
	56	74	18	0.15
<b>including</b>	67	74	<b>7</b>	<b>0.25</b>

**Notes to accompany Table 3:**

1. For hole details refer to Table 1
2. Samples collected at one metre intervals via cyclone and riffle splitter.
3. No wet samples in intervals shown.
4. Downhole lengths reported (not true widths); length weighted composite intervals. Cut-off 0.05% WO<sub>3</sub> with maximum internal dilution of two metres at less than 0.05% WO<sub>3</sub>
5. Assay method fusion XRF using 12/22 flux detection limit 0.001% W
6. W assays converted to WO<sub>3</sub> by multiplying by 1.261
7. Field duplicate samples and certified reference materials used at a frequency of 1 in 20 samples.

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

HAZELWOOD RESOURCES LTD

ABN

88 118 738 999

Quarter ended ("current quarter")

30 September 2008

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	Nil	Nil
1.2 Payments for		
(a) exploration and evaluation	(928)	(928)
(b) development	Nil	Nil
(c) production	Nil	Nil
(d) administration	(475)	(475)
1.3 Dividends received	Nil	Nil
1.4 Interest and other items of a similar nature received	11	11
1.5 Interest and other costs of finance paid	Nil	Nil
1.6 Income taxes paid	Nil	Nil
1.7 Other (provide details if material)	Nil	Nil
<b>Net Operating Cash Flows</b>	<b>(1,392)</b>	<b>(1,392)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a)prospects	Nil	Nil
(b)equity investments	Nil	Nil
(c) other fixed assets	(12)	(12)
1.9 Proceeds from sale of:		
(a)prospects	Nil	Nil
(b)equity investments	Nil	Nil
(c)other fixed assets	Nil	Nil
1.10 Loans to other entities	(130)	(130)
1.11 Loans repaid by other entities	Nil	Nil
1.12 Other (provide details if material)	Nil	Nil
<b>Net investing cash flows</b>	<b>(142)</b>	<b>(142)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(1,534)</b>	<b>(1,534)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(1,534)	(1,534)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	1,144	1,144
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 – Capital Raising Costs	(6)	(6)
	<b>Net financing cash flows</b>	1,138	1,138
	<b>Net increase (decrease) in cash held</b>	(396)	(396)
1.20	Cash at beginning of quarter/year to date	1,061	1,061
1.21	Exchange rate adjustments to item 1.20	Nil	Nil
1.22	<b>Cash at end of quarter</b>	665	665

**Payments to directors of the entity and associates of the directors**  
**Payments to 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	84
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

On 8 August 2008, shareholders approved the issue of 3,000,000 options to Zenix Nominees Pty Ltd a subsidiary of Hartleys Limited under the terms of an agreement. These options were issued on 8 August 2008.

On 8 August 2008, shareholders approved the issue of 1,000,000 options to Sino-Italy Development Co Pty Ltd under the terms of an agreement. These options were issued on 12 August 2008.

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	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	100
4.2 Development	Nil
<b>Total</b>	<b>100</b>

**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	665	1,061
5.2 Deposits at call	Nil	Nil
5.3 Bank overdraft	Nil	Nil
5.4 Other (provide details)	Nil	Nil
<b>Total: cash at end of quarter (item 1.22)</b>	<b>665</b>	<b>1,061</b>

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	M46/0477	Mining lease application	100%	Nil
	M46/0478	Mining lease application	100%	Nil
	M46/0479	Mining lease application	100%	Nil
	M46/0480	Mining lease application	100%	Nil
6.2 Interests in mining tenements acquired or increased	E46/0740	Reversion Exploration Licence	Nil	100%

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**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 <b>Preference +securities</b> ( <i>description</i> )				
7.2 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	79,817,238	69,622,238		
7.4 Changes during quarter				
(a) Increases through issues	7,800,000	7,800,000	\$0.15	\$0.15
(b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> ( <i>description</i> )				
7.6 Changes during quarter				
(a) Increases through issues	Nil			
(b) Decreases through securities matured, converted				
7.7 <b>Options</b> ( <i>description and conversion factor</i> )			<i>Exercise price</i>	<i>Expiry date</i>
	4,500,000	Nil	20 Cents	31August09
	1,000,000	Nil	25 Cents	31August09
	2,250,000	Nil	30 Cents	31August09
	1,000,000	Nil	15 Cents	30 June 2011
	2,000,000	Nil	20 Cents	30 June 2011
	1,000,000	Nil	25 Cents	30 June 2011
7.8 Issued during quarter	1,000,000	Nil	15 Cents	30 June 2011
	2,000,000	Nil	20 Cents	30 June 2011
	1,000,000	Nil	25 Cents	30 June 2011
7.9 Exercised during quarter	Nil			
7.10 Expired during quarter	Nil			
7.11 <b>Debentures</b> ( <i>totals only</i> )				
.12 <b>Unsecured notes</b> ( <i>totals only</i> )				

+ See chapter 19 for defined terms.

## 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 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

(Director/Company Secretary)

Date: 31 October 2008

Print name: John Chegwiddden

- 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 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, 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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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.

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