

HD Hazelwood Resources Ltd. - Pre-Feasibility Completed for Mt Mulgine Tungsten Concentrator

WC 771 words

PD 30 January 2014

SN ENP Newswire

SC ENPNEW

LA English

CY (c) 2014, Electronic News Publishing. All Rights Reserved.

LP

Release date - 29012014

Hazelwood Resources Ltd (ASX: HAZ) is pleased to announce the completion of an Engineering Pre-Feasibility Study for the establishment of a concentrator at the Mt Mulgine Tungsten Project located in the mid-west region of Australia.

TD

Mt Mulgine as a source of feedstock for ferrotungsten production

The engineering pre-feasibility estimate is part of the evaluation of the development options for the Mt Mulgine Tungsten Project which could form an important part of the supply chain for the established downstream ATC Ferrotungsten Project in Vietnam. ATC sells ferrotungsten to steelmakers and foundries globally, having entered production during April 2013.

Tungsten feedstock for Hazelwood's downstream tungsten processing business is presently sourced from a range of third party sources. The concentrator for Mt Mulgine as proposed in the pre-feasibility engineering study would, conceptually, provide around a third of the required annual feedstock based on CY2015 ferrotungsten production projections.

Modest capital expenditure path to vertical integration

Hazelwood engaged Como Engineers Pty Ltd to conduct a Pre-Feasibility estimate for the establishment of a 330,000 tonnes per annum concentrator at the Mt Mulgine Tungsten Project. The project hosts a relatively high grade tungsten Mineral Resource at the Mulgine Hill Deposit and has been subject to significant historical evaluation work, including a similar-sized plant design by Fluor during the 1970s.

The battery limits for the engineering pre-feasibility estimate are from ROM pad grizzly to the tailings dam discharge point. The tailings dam, bore fields and infrastructure will be considered as part of a full evaluation study, taking into account infrastructure that is already established in the region. The estimated capital required for the concentrator is \$AUD 31.5 **million**, estimated to a +/-25% level of accuracy and includes a contingency of 20% of cost.

Concentrator design criteria

The concentrator consists of a crushing and milling circuit, tungsten gravity separation and sulphide flotation. The design throughput of 330,000 tonnes per annum has resulted in a modest sized plant that would exploit higher grade parts of Mt Mulgine (greater than 0.2% WO₃). Projected output would be approximately 90,000 metric tonne units+ of tungsten concentrate at the assumed mill feed grade (approximately 700 tonnes per annum of contained tungsten).

Tungsten Mineral Resource Mulgine Hill

The Mulgine Hill deposit contains a significant JORC Mineral Resource which contains a higher grade portion that may be amenable to small-scale underground **mining**. Previous studies examined both open-pit and underground **mining** options for the Mulgine Hill Deposit. The mine design and **ore** reserve will be defined during a full-feasibility study.

Commenting on the completion of the Engineering PFS, Managing Director Terry Butler-Blaxell stated; 'Tungsten concentrate represents 90% of the operating cost of the ATC Ferrotungsten Project. We are looking at Mt Mulgine as an opportunity to vertically integrate and reduce our overall feedstock costs,

improving the refining margins for the business. The challenge is to develop a low **lead** time **mining** project at the right scale that can readily recover the capital. These results move Hazelwood closer to the potential to provide a strategic internal source of tungsten feedstock to our very successful ferrotungsten processing business in Vietnam'.

Contact:

Terry Butler-Blaxell Managing Director Hazelwood Resources Ltd Tel: +61 89320 5220 Email: info@hazelwood.com.au

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 facility of its type outside of **China** and its design is believed to be the most advanced in the world. High quality product from ATC meets

the specifications of the Japanese and European markets and can be produced from a range of different feedstock sources.

With an established specialty metals production base, Hazelwood has the ability to expand into other capital-efficient opportunities in downstream processing. 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.

[Editorial queries for this story should be sent to newswire@enpublishing.co.uk]

CO hwsau : Hazelwood Resources Limited
IN ibasicm : Basic Materials/Resources | imet : Mining/Quarrying
NS npress : Press Releases | ncat : Content Types
RE austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania
PUB Electronic News Publishing Ltd.
AN Document ENPNEW0020140130ea1u000ey