

HD **New FeW producer Hazelwood secures \$4m in financing**

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WC 566 words

PD 19 May 2014

SN Metal Bulletin

SC METBUL

LA English

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The facility has been formally completed and is available for drawdown, subject to Hazelwood finalising a share placement to raise at least A\$1.5 **million** (\$1.4 **million**), the **company** said on Monday May 19.

Firm commitments for this placement have been received, Hazelwood said, adding that the ATC ferro-tungsten project in Vietnam in which it owns a majority **stake** is on track to ramp up to an output of 1,500 tpy for the 2014 calendar year.

Earlier in the year, the **company** said that it had signed a term sheet with Siderian, under which Siderian would provide \$4 **million** to Hazelwood through a twelve-month working capital facility, which could be raised to \$6 **million**.

Hazelwood said on Monday that it has received **firm** commitments to raise A\$1.5 **million** by way of a share placement at 3.5 Australian cents per share.

Each participant will gain one attaching option for every two shares subscribed in the placement, and the options will each have an exercise price of 5.5 cents, with a maturity date of 30 months from the date of issue, the **company** added.

"We see this funding as representing a significant step forward in the progress of the **company**, greatly improving the financial flexibility of the business as it continues to grow its share of the global ferro-tungsten market, [and] providing a number of other benefits while minimising dilution for our shareholders," Hazelwood md Terry Butler-Blaxell said in a statement.

The funds raised through the working capital facility and placement will cover the capital needed to keep Hazelwood on track to ramp up production of ferro-tungsten to 1,500 tpy this calendar year.

The placement shares and attaching options do not require shareholder approval.

Under the terms of the facility and placement, Hazelwood will issue 76 **million** options to Siderian and 35 **million** options to Australian financial services **company** Hartleys, which will also have an exercise price of 5.5 cents, and an expiry date of 30 months from the date of issue.

Hazelwood's global sales agent for the ferro-tungsten produced at ATC is London-based trading **company** Wogen.

Siderian Resource Capital is a specialist resources investment **company**, which was jointly established in 2013 by Wogen Pacific and Neil Herbert, who was co-chairman and md of AIM-listed Polo Resources from 2009 until 2013.

The ATC ferro-tungsten plant is the highest-capacity facility of its kind outside **China** and produces material to meet the specifications of the Japanese and European markets.

Hazelwood is also looking at future vertical integration with its 100%-owned primary tungsten projects in Western Australia, including the Big Hill tungsten deposit and the Mt Mulgine tungsten project, which both have near-surface resources.

The **company** also has exposure to nickel sulphides and base metals exploration thanks to its wholly owned Cookes Creek and **Copper** Gorge areas in the East Pilbara of Western Australia.

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PUB Metal Bulletin Limited
AN Document METBUL0020140616ea5j000j6