



Asia Tungsten Products Co., Limited

亞洲鎢品有限公司

Asia Tungsten Products Co Ltd (Hong Kong) Annual Due Diligence Report 2014

Asia Tungsten Products Co Ltd (HK) owns 100% of the Vietnamese charter capital company Asia Tungsten Products Vietnam Ltd which operates a ferrotungsten refinery located in the Vinh Bao District, Haiphong, Vietnam. Asia Tungsten Products Co Ltd (ATC) itself operates under an Incorporated Joint Venture and Shareholder Agreement between Hazelwood Resources (60%), a listed company on the Australian Stock Exchange and Chen Guangyu (40%), a private investor.

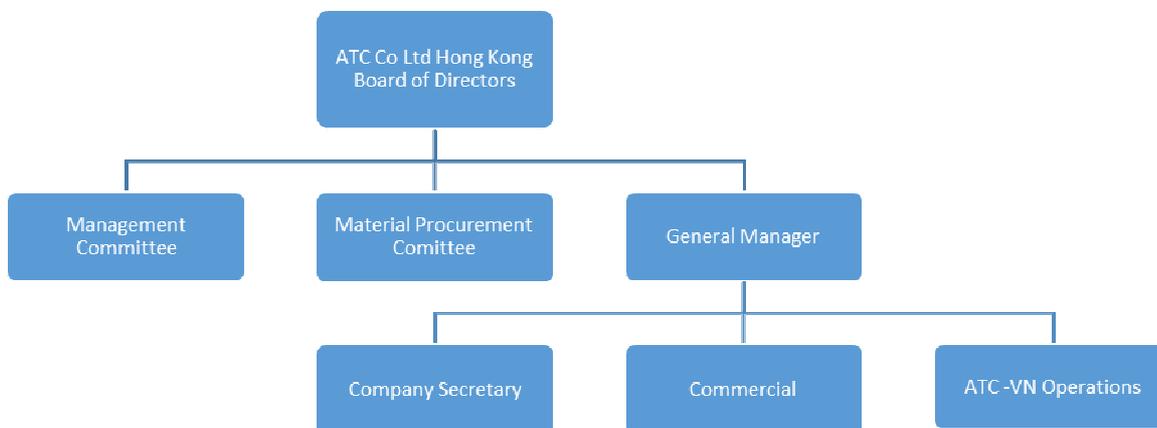
Both ATC and Hazelwood Resources Limited condemn all activities in the raw material sector connected to illegal or unlawful exploitation of ores that directly or indirectly finances or benefits armed groups in conflict areas. Both ATC and Hazelwood support the goals and objectives of Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. This commitment can be viewed on the Hazelwood Website at <http://hazelwood.com.au>

ATC has a strong commitment to the principles behind the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas. Both Hazelwood and ATC adopted the OECD Guidance as a policy item for procurement of tungsten raw materials on 19th December 2012.

ATC was granted full membership to iTSCi on the 25th September 2014. ATC has also just completed its first annual EICC - GeSI Conflict Free Smelter (CFS) Audit in October and is awaiting results.

Tungsten Mineral Purchasing

Decision making in regards to the procurement of tungsten for the ferrotungsten refining operation in Vietnam occurs through the Hong Kong company. All members of the Material Procurement committee take responsibility for the informing of potential mineral suppliers of the Company's Conflict Minerals Policy Statement.





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A comprehensive due diligence checklist is used to ensure that all purchases of tungsten minerals conform to the company policies, with the purchasing of concentrate from Level 3 countries coming only from iTSCI full member suppliers that use the iTSCI tag system. Documents from each supply of tungsten raw materials are kept on site for supply chain audits. The Company is using the iTSCI due diligence programme to review the origin of the material and assess through the provision of iTSCI incident reports, assessment summaries and district and mine visit reports if the material meets the guidelines and conforms to the Company's Conflict Minerals Policy.

The only issues identified at this time have been due to supplier clerical errors. The company is reviewing its procedures in this area as an internal corrective action to improve its ability to identify and investigate errors in supplier documentation before receipt of tungsten raw materials.

An electronic relational database is used to record each supply of tungsten raw materials and tracks its consumption through the smelter and into finished product. Materials balances are kept for each production run.

All senior ATC-VN operations personnel involved in the chain of custody of tungsten minerals have also signed and committed to the policy. The Conflict Minerals Policy will also be explained to all other operations personnel through routine Safety and Policy training sessions.

Future Commitment

Asia Tungsten Products Co Ltd (Hong Kong) and its wholly owned subsidiary Asia Tungsten Products Vietnam Ltd. will continue to support iTSCI initiatives and actions and will continue to assess and develop due diligence procedures to ensure that all tungsten minerals purchased support the aims of a conflict free supply chain.