2014 ANNUAL FINANCIAL REPORT











Corporate Directory



WOLF MINERALS LIMITED

ABN: 11 121 831 472

NON EXECUTIVE CHAIRMAN

John Hopkins

EXECUTIVE MANAGING DIRECTOR

Russell Clark

NON EXECUTIVE DIRECTORS

Ronnie Beevor Nick Clarke Chris Corbett Don Newport Michael Wolley

CHIEF FINANCIAL OFFICER COMPANY SECRETARY

Richard Lucas

PRINCIPAL & REGISTERED OFFICE

Level 3, 22 Railway Road SUBIACO WA 6008

AUDITORS

PKF Mack & Co

Level 4, 35 Havelock Street WEST PERTH WA 6005

LAWYERS

Steinepreis Paganin

Level 4, 16 Milligan Street PERTH WA 6000

SHARE REGISTRAR

Security Transfer Registrars Pty Ltd

770 Canning Hwy APPLECROSS WA 6153

UK DEPOSITORY

Computershare Investor Services PLC

The Pavilions, Bridgwater Road Bristol BS99 6ZZ

STOCK EXCHANGE LISTINGS

Australian Securities Exchange

(Home Exchange: Perth, Western Australia) Code: WLF

Alternative Investment Market

London Stock Exchange Code: WLFE

COUC. VVLIL

BANKERS

National Australia Bank

50 St Georges Terrace PERTH WA 6000

WEBSITE

www.wolfminerals.com.au

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Chairman's Letter









Dear Shareholder

The 2014 financial year has been transformational for Wolf Minerals Limited ("Wolf" or "the Company") and your Board is very pleased with the progress made at Wolf's core project, the Hemerdon tungsten and tin project ("the Project") in Devon in the South West of England.

Your Board had a number of director changes during the year. Mr Humphrey Hale, Managing Director, resigned in October 2013, following many years with Wolf during which he identified the opportunity at Hemerdon and managed the Company through the definitive feasibility study, permitting applications, property purchases and access to debt funding. We are very proud of what Humphrey achieved during his tenure and wish him the best in his future endeavours.

Following Humphrey's resignation, the Board was very pleased to appoint Russell Clark as Managing Director in October 2013. Russell brings a wealth of operating and project development expertise as well as capital market experience gained during his tenure at Grange Resources and Azimuth Resources. Following a hand over with Humphrey, Russell has shown his capabilities as the project development has continued its momentum towards being a producing mine.

Mr Jim Williams retired in January 2014, after many years' service to the mining industry and almost 5 years on the Wolf Board. We wish him the very best in retirement and thank him for his valuable contribution to the Company in its early years.

Ronnie Beevor joined the Board in September 2013, as an independent director. As a professional director with extensive finance and banking experience, Ronnie brings a wealth of knowledge to the Board and is now the Chairman of the Audit, Risk and Compliance Committee and the Remuneration Committee.

Nick Clarke joined the Board in January 2014, as an independent director. Nick is a mining engineer based in London and brings excellent operating credentials as well as experience and contacts with brokers and investors in the London AIM market.

I'm sure you join me in welcoming the new directors to the Board and in thanking those who have provided valuable service in the past.

This year we have seen Wolf continue to take significant steps towards its goal of becoming a specialty metals producer. In December 2013, the Environment Agency (the "EA") in the UK issued its permit for the Mine Waste Facility. This is the first permit of its kind to be issued by the EA following the European Union's standards being included and is a credit to all those involved, both on the Company side and also on the EA side. To progress the project to a point where construction could take place, a number of properties had to be purchased and the lease agreement with the Hemerdon Mining Association had to be finalised. These two steps were completed in February 2014, after which the EPC contractor, GR Engineering Services, was provided access to the site to start construction of the project.

Finalising the funding for the Project has been a key goal this year and we were very pleased to report in May that the necessary equity required to fund the Project through to positive cashflow had been raised. The Board takes this opportunity to thank all shareholders who took part in the fundraising, in particular RCF and Todd Corporation who subscribed for more than their pro-rata share, in what has been a difficult equity market in the resources sector. Wolf is very fortunate to have two large cornerstone shareholders who are very supportive of the Project and the future growth of the Company.

The world tungsten market remains strong with European APT prices currently trading at US\$360 – 370 per mtu. Market conditions, particularly in the resources sector, have made it difficult for mining companies in general to secure funding and many potential tungsten developers are struggling to advance their projects. This has resulted in significant delays to these projects, which points to a shortfall in the tungsten market at a time when the Company is scheduled to bring the Project on stream.

Your Board visited the Project site in July this year and were very happy with the progress being made and with our new employees who are making it happen. Our aim remains to bring the Project in on time and on budget in the third quarter of 2015.

Yours sincerely

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John HopkinsNon Executive Chairman









Directors' Report





















Your Directors present their report on Wolf Minerals Limted ("Wolf" or "the Company") and its controlled entities ("the consolidated group") for the financial year ended 30 June 2014.

DIRECTORS

The names of Directors in office at any time during or since the end of the financial year are:

John Hopkins

Non Executive Chairman

Russell Clark

Executive Managing Director (commenced 16 October 2013)

Ronnie Beevor

Non Executive Director (commenced 20 September 2013)

Nick Clarke

Non Executive Director (commenced 7 January 2014)

Chris Corbett

Non Executive Director

Don Newport

Non Executive Director

Michael Wolley

Non Executive Director

Humphrey Hale

Executive Managing Director (resigned 16 October 2013)

Jim Williams

Non Executive Director (resigned 7 January 2014)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

PRINCIPAL ACTIVITIES

The principal activity of the consolidated group during the financial year was project development, conducted through the wholly owned subsidiary Wolf Minerals (UK) Limited.

There were no significant changes in the nature of the consolidated group's principal activities during the financial year.

OPERATING RESULTS

The consolidated loss of the consolidated group after providing for income tax amounted to \$3,731,574 (2013: \$4,711,260).

DIVIDENDS PAID OR RECOMMENDED

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.









Directors' Report (cont.)

Managing Director's Review of Operations

As the Chairman has said, this year has been transformational for Wolf as we have moved development of the Hemerdon tungsten and tin project ("the Project") through the feasibility study and debt finance and into a fully funded construction project.

SITE PREPARATION

In December 2013, the last of the nearby properties that were required to be purchased as a condition of the Project's planning permission were bought and vacated. This was a challenging and stressful time for the occupants and our thanks to them for working with us in such a cooperative manner.

Also in December, the EA approved the Mine Waste Facility ("the MWF") environmental permit, the first of its type to be issued in the UK. This permit lays out the requirements for the engineering standards applicable to the facility, the remediation required during and after its construction and the various requirements for monitoring and relocating wildlife in the area, in particular a number of species of bats that have been found at the site. In addition planning permission was received to relocate a number of footpaths and bridleways around the site – work that has since been undertaken, enhancing the standard of bridleways in the area.

Archaeological studies commenced last year have been finalised with some historical artifacts recovered from an area where tin streaming once occurred on the Project site.



In February 2014, the option for a lease over the Project area was exercised with the Hemerdon Mining Association, the representative group for the land owners. Once the lease was in place, work commenced on the site with the clearing of scrub ahead of the bird nesting season being the key priority.

GR Engineering Services ("GRES"), the West Australia based engineering company responsible for the design and construction of the Project, was given formal access to the site in February to start site clearance and levelling with CA Blackwell, the mining contractor who mobilised at the same time.

In March, the official ground breaking ceremony was held at the site with local dignitaries to commemorate the commencement of construction of the Project.

This was an important event with many of our local community stakeholders in attendance and our thanks to Newnham Estate for hosting tea and scones afterwards.

The original concrete processing plant built in World War 1 has gradually been demolished, with resident bats relocated and the resultant concrete being crushed for use as road base in the future. The haul road joining the mining area to the MWF has been constructed enabling the construction of the MWF to commence, using waste rock from the mine site. The bitumen access road to the site was completed in May, allowing easy access to the site and avoiding mud and dirt from the site being distributed on the public roads surrounding the Project.









Directors' Report (cont.)

Review of Operations (cont.)

FINANCING

The documentation for project financing of £75m, incorporating a £70 million term loan facility and a £5 million bond facility was signed with UniCredit Bank AG, ING Bank N.V. and Caterpillar Financial SARL last year. The deal was recognised in February 2014 when the Company received the European Mining and Metals 2013 Deal of the Year.

In addition to the debt, the Company had to raise sufficient equity to repay a US\$75 million bridging loan to Resource Capital Fund V LP ("RCF") and fund the remainder of the construction and commissioning costs.

In May, Wolf successfully completed a capital raise of A\$182.9million (£99.2 million) through the issue of 609.7 million shares. Our cornerstone shareholders, RCF and Todd Corporation, contributed to the capital raise, subscribing for more than their pro-rata share and increasing their shareholding percentage as a result.

Funds that were received have been exchanged for the relevant currencies to minimise future exposure to changing foreign exchange rates during construction of the Project. Based on the capital cost estimate, forecast tungsten and tin prices, ore grade, throughput, recovery and ramp up assumptions the Project is now fully funded to positive cashflow – a major achievement in a time when the capital markets are not favourably inclined towards resource projects.

CONSTRUCTION ACTIVITIES

By the end of June, the processing plant site was levelled and major construction activities were underway. Structural concrete is well advanced and the lay down area for equipment has been filling rapidly. Over 150 employees and contractors were working at the site at year end. Structural steel erection will commence in August, and services such as power and water supply are well advanced.

In addition, the MWF footprint has been cleared of topsoil (stockpiled for future restoration projects), and the construction of the main retaining wall has commenced with the aim of completion by early 2015.

Time lapse photography and still photographs of the processing plant site and mine site are available on the Wolf web site.











Directors' Report (cont.)

Review of Operations (cont.)

SITE TEAM

The site management team has continued to grow as we head towards production next year. We have a very experienced but small group of project engineers, led by Rupert McCracken, overseeing GRES and ensuring that there is real focus for an on time and on budget delivery of the Project.

In addition the operations team has grown, led by Jeff Harrison, with operational readiness the key focus. We have been very fortunate to attract experienced professionals many of whom hail from nearby or who have worked at mining operations overseas and are taking the opportunity to return to the UK to work

The Board take this opportunity to thank Rupert and Jeff and their teams for the prolonged and dedicated effort they have put in to make the Project happen. The Project and our teams are well regarded in the local community, a result of frequent consultation and working to a very high standard.

EXPECTATIONS FOR 2015

The next 12 months will continue to be a critical period for Wolf, with the core focus being an on time and on budget delivery of the Project. Our focus will also be on maintaining high safety and environmental standards as we continue to build the Project.

We expect to have the first stage of the MWF completed early in 2015, and commissioning of the processing plant to commence in the second quarter of the year. Our employee numbers will grow to approximately 200 and our mining contractor will take delivery of a brand new Caterpillar fleet of equipment with which to mine the pit.

We are looking for nearby opportunities to extend or enhance the Project and are in the process of drilling six diamond drill holes around the pit which will provide the information necessary for us to determine the optimum pit wall angles. This work is being undertaken with the view to increasing wall slopes which in turn would create additional reserves and mine life.

We expect this work to be completed in the fourth quarter of this year.

As a relative newcomer to the company, I take this opportunity to thank our shareholders, the Board and our employees for their significant effort that will contribute to the first metal mine in England for 45 years being established. This is an incredibly exciting project that has local and national support and the pride and energy at the site is palpable.

ENVIRONMENTAL OBLIGATIONS

The Company has an extensive list of environmental legislation, regulations and guidelines that directly and indirectly apply to the activities of the Project.

The obligations have been captured and recorded in an Environmental and Social Management System ("ESMS"), along with other conditions the Company must comply with contained in individual permits and consents. The ESMS is regularly reviewed and updated resulting in an Environmental and Social Action Plan which is utilised by management to ensure compliance with environmental obligations and reporting.

The Company is aware of its environmental obligations with regards to its development activities and confirms that it complies with all regulations when carrying out any development work.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the financial year, other than the changes in Directors and the \$182.9 million capital raise disclosed herein.

NOTE:

» A Metric Tonne Unit (mtu) is equal to ten kilograms and is a standard weight measure used by the tungsten industry.











Directors' Report (cont.)

Information on Directors

Mr John Hopkins

Non Executive Chairman (Age 64 years)

Qualifications

LLB, FAICD

Experience

Mr Hopkins is a professional company director and chairman and joined the Wolf Board in 2010. He is a graduate in law of the University of Western Australia and has been admitted to practice as a barrister and solicitor for more than 39 years. He is also is a Fellow of the Australian Institute of Company Directors.

Mr Hopkins has been a board member or chairman of more than 20 public listed companies across Australia and Canada since 1985. Many of these positions have seen him involved in the financing and development of gold, base metal, energy, mineral sands and other resource projects in Australia and overseas.

Interest in Shares and Options

334,000 fully paid Ordinary Shares.

Directorships held in other listed entities

Mr Hopkins is currently the Non Executive Chairman of Universal Coal Plc and a Non Executive Director of Alara Resources Ltd, both ASX listed resources companies.

His recent former listed company directorships include Chairman of Midas Resources Ltd (2011 to 2013) and Thundelarra Exploration Ltd (from 2011 to 2013).

In the not for profit sector he has been Chairman of Golf Australia Ltd (the national governing body) since 2011.

Mr Russell Clark

Managing Director (Age 56 years)

Qualifications

BSc, Grad Dip, ARSM, MIMM, MAusIMM, CE, FAICD

Experience

Mr Clark was appointed as Managing Director in October 2013. He is a mining professional with over 35 years' experience in senior corporate, operational and project management roles in gold, industrial minerals, iron ore and base metal mines and has worked in Australia, the USA, Africa, South America and PNG.

Most recently, in 2013, as CEO of Azimuth Resources he concluded the acceptance of a takeover of Azimuth by Troy Resources. Previously as Managing Director of Grange Resources Limited he managed the merger with ABM that saw Grange become the largest magnetite producer in Australia through the Savage River mine, and was responsible for the production of prefeasibility and bankable studies for the \$3b Southdown magnetite project in South West Australia.

Mr Clark previously worked for Renison Goldfields for 18 years at numerous mining operations and spent eight years with Newmont where his final role was Group Executive of Operations, responsible for eight mining operations in Australia and New Zealand.

Mr Clark has a mining degree from the Royal School of Mines in London, and a post grad diploma in Finance and Investment Analysis. He is a Chartered Engineer, a fellow of the Australian Institute of Company Directors and a member of both the AuslMM and the Institute of Metals, Materials and Mining.

Interest in Shares and Options

83,333 fully paid Ordinary Shares.

Directorships held in other listed entities

Mr Clark is the Non Executive Chairman of Attila Resources Limited, an ASX listed coal development company.

Mr Ronald (Ronnie) Beevor

Non Executive Director (Age 67 years)

Qualifications

B.A. Hons

Experience

Mr Beevor joined the Wolf Board in September 2013 and has more than 30 years' experience in investment banking, including being the Head of Investment Banking at NM Rothschild & Sons (Australia) Limited between 1997 and 2002.

During his career, Mr Beevor has had an extensive involvement in the natural resources industry, both in Australia and internationally. He has significant experience working with companies transitioning from exploration and development to construction and production.

Mr Beevor qualified as a Chartered Accountant and is Chairman of the Company's Audit, Risk and Compliance Committee and also Chairman of its Remuneration Committee.

Interest in Shares and Options

350,000 fully paid Ordinary Shares.

Directorships held in other listed entities

Mr Beevor is currently Non Executive Chairman of Bannerman Resources Limited and EMED Mining Public Limited and a Director of Unity Mining Limited.

His former recent listed company directorships include Bullabulling Gold Limited (from 2012 to 2014), Ampella Mining Limited (from 2011 to 2014), Talison Lithium Limited (from 2010 to 2013) and Rey Resources Limited (from 2010 to 2012).









Directors' Report (cont.)

Information on Directors (cont.)

Mr Nick Clarke

Non Executive Director (Age 62 years)

Qualifications

C Eng, ACSM, MIMMM

Experience

Mr Clarke has more than 40 years of mining experience in production, consulting and corporate activity He joined the Board in January 2014.

Mr Clarke is currently the CEO of Central Asia Metals Plc (AIM), a copper producing company with assets in Kazakhstan and Mongolia. He was previously Managing Director of Oriel Resources Plc (AIM), until it was sold to Mechel OAO of Russia for US\$1.5 billion in 2008.

From 1992-2004, Mr Clarke was the Managing Director of international mineral consultancy Wardell Armstrong International Ltd, where he managed numerous multidisciplinary mining projects in the CIS and Africa. Prior to this he spent 16 years in production management within South Africa, Ghana, and Saudi Arabia.

Mr Clarke graduated from Cambourne School of Mines as a mining engineer and Chartered Engineer.

Interest in Shares and Options

Nil.

Directorships held in other listed entities

Mr Clarke is currently a Non Executive Director of TSX listed Columbus Copper Corp.

Mr Chris Corbett

Non Executive Director (Age 39 years)

Qualifications

B Eng (Hons Mech), B Com, GradDipAppFin, GradDipMine, CPEng

Experience

Mr Corbett has more than 16 years' experience in mining, corporate business development and investment management. He joined the Board in 2009.

He is the representative for Resource Capital Fund V LP, having gained prior experience in mine development, production and construction with contractor Byrnecut Mining Pty Ltd and corporate and divisional business development roles with Wesfarmers Limited

Mr Corbett is a member of Engineers Australia and the Australian Institute of Company Directors. He is a graduate of the University of Western Australia with degrees in engineering and commerce, and has postgraduate qualifications in mining and applied finance.

Interest in Shares and Options

Nil

Directorships held in other listed entities

Mr Corbett does not currently hold any other listed company directorships. He was a director of ASX listed Talison Lithium Limited until March 2013.

Mr Don Newport

Non Executive Director (Age 60 years)

Qualifications

ACIB, CDipAF

Experience

Mr Newport brings a wealth of mining finance experience to the company.

He is based in the UK and has over 35 years of banking experience, of which 25 years were spent in the mining and metals sector.

Mr Newport retired at the end of 2008 as the head of Standard Bank's Global Mining Finance Business. Prior to moving to Standard Bank, he led the Barclays Capital Mining Sector Team. He has led or been closely associated with a number of significant mining corporate and project financings and has undertaken a variety of financial advisory roles.

Mr Newport is an Associate of the Chartered Institute of Bankers and holds the Certified Accountant's Diploma in Accounting and Finance.

He has been a Director of the Company since 2009.

Interest in Shares and Options

Nil.

Directorships held in other listed entities

Mr Newport does not currently hold any other listed company directorships. He was previously a Director of African Eagle Resources Plc from 2012 until 2013.









Directors' Report (cont.)

Information on Directors (cont.)

Mr Michael Wolley

Non Executive Director (Age 54 years)

Qualifications

BE (Hons) Chemical and Materials Engineering, M Mgmt

Experience

Mr Wolley has 15 years' experience with Mobil Oil Australia in a range of roles including engineering, operations, strategic planning and business development in Australia and New Zealand. He joined the Board in June 2013.

In 1995, he left Mobil to pursue opportunities in Asia Pacific and worked in a number of senior executive roles in the manufacturing and industrial sectors including a period as President BlueScope Steel China.

In 2007, Mr Wolley returned to the resources sector as Chief Operating Officer for Lynas Corporation, and subsequently into the gold sector where he is a Director of Red Mountain Mining, an ASX listed gold development business.

Mr Wolley currently holds the position of Vice President Minerals for the Todd Corporation. He is also a Director of several listed companies and sits on the Board of Strattera, the New Zealand minerals industry body.

He is a member of both the Australian and New Zealand Institutes of Company Directors.

Mr Wolley holds a first class honours degree in chemical and materials engineering from the University of Auckland, and a Masters of Management from Macquarie Graduate School of Management.

Interest in Shares and Options

Directorships held in other listed entities

Mr Wolley has been a Director of the following listed companies since 2012 - Montero Mining and Exploration Limited, Rutila Resources Limited (formerly Forge Resources) and Red Mountain Mining Limited.

Mr Humphrey Hale

Executive Managing Director (resigned 16 October 2013)

Qualifications

B Sc (Hons) Exploration and Mining Geology, MAIG

Experience

Mr Hale has over 18 years experience in the exploration and mining industry. This experience has principally been gained through exploration, resource development and mine feasibility roles for mining and exploration companies in various commodities.

Mr Hale was a founding director of a private gold exploration company in QLD. He spent 5 years with an exploration and mining consultant where he gained experience in multiple commodities, before taking on management of near mine exploration including a major feasibility study to establish an underground mine for AngloGold Ashanti.

Mr Jim Williams

Non Executive Director *(resigned 7 January 2014)*

Qualifications

MSc, C Eng, FAusIMM

Experience

Mr Williams has had a long and successful career that spans the globe in open pit and underground mining engineering. Most recently he was the founding Head of Mining for Fortescue Metals Group Ltd before retiring in May 2007. Mr Williams provided the necessary mining technical expertise, creativity and knowledge that were critical ingredients in establishing Fortescue's credibility within the mining industry.

Mr Williams has worked in Australia, Zambia, South Africa and SE Asia principally in bulk mining operations. Mr Williams has served as mining engineer for Bechtel in Australasia, principal mining consultant for Minproc Engineers and CEO of Laverton Gold for 3 years.

Mr Williams ran his own Perth based mining consultancy for many years during which time he reviewed more than 20 feasibility studies for major international banks.

Mr Williams is a graduate of the Camborne School of Mines (UK), a Chartered Engineer, a Fellow of the AuslMM and a past Chairman of the Perth Branch.

Company Secretary

Mr Richard Lucas

Chief Financial Officer and Company Secretary (Age 39 years)

Qualifications

BCom, Chartered Accountant

Experience

Mr Lucas commenced with Wolf Minerals Limited on April 2011 as Chief Financial Officer and Company Secretary. He is a Chartered Accountant with over 18 years of financial experience in various sectors, including mining, construction, property development and professional services sectors. Mr Lucas is responsible for the establishment of the group's integrated finance function.

Prior to working at Wolf Minerals, Mr Lucas reached Director level at PwC and was seconded to Lihir Gold as Commercial Manager where he managed the accounting and finance function. He was more recently with the Geotech Group as Chief Financial Officer.

Interest in Shares and Options

75,467 fully paid Ordinary Shares.

Directorships held in other listed entities

Mr Lucas does not currently hold any other listed company directorships.









Directors' Report (cont.)

Remuneration Report – Audited

The names and positions held by consolidated and parent entity key management personnel in office at any time during the financial year are:

			Proportion of elements of remuneration related to performance		of remune	of elements ration not erformance	
Group Key Management Personnel	Position held as at 30 June 2014 and any change during the year	Contract details (duration and termination)	Non-Salary Cash-Based Incentives	Shares/ Units	Options/ Rights	Fixed Salary/ Fees	Total
			%	%	%	%	%
John Hopkins	Non Executive Chairman	No fixed term. 3 months notice required to terminate.	-	-	-	100	100
Russell Clark	Executive Managing Director (commenced 16 October 2013)	No fixed term. 3 months notice required to terminate.	20	-	30	50	100
Ronnie Beevor	Non Executive Director (commenced 20 September 2013)	No fixed term. 1 month notice required to terminate.	-	-	-	100	100
Nick Clarke	Non Executive Director (commenced 7 January 2014)	No fixed term. 1 month notice required to terminate.	-	-	-	100	100
Chris Corbett	Non Executive Director	No fixed term. 1 month notice required to terminate.	-	-	-	100	100
Don Newport	Non Executive Director	No fixed term. 1 month notice required to terminate.	-	-	-	100	100
Michael Wolley	Non Executive Director	No fixed term. 1 month notice required to terminate.	-	-	-	100	100
Humphrey Hale	Executive Managing Director (resigned 16 October 2013)	No fixed term. 3 months notice required to terminate.	-	-	-	100	100
Jim Williams	Non Executive Director (resigned 7 January 2014)	No fixed term. 1 month notice required to terminate.	-	-	-	100	100
Jeff Harrison	Operations Manager / Director of subsidiary	No fixed term. 3 months notice required to terminate	20	-	-	80	100
Richard Lucas	Chief Financial Officer / Company Secretary	No fixed term. 3 months notice required to terminate.	20	-	-	80	100
Rupert McCracken	Project Manager	No fixed term. 1 month notice required to terminate.	-	-	-	100	100

This report details the nature and amount of remuneration for each key management person of the Group, and executives receiving the highest remuneration.









Directors' Report (cont.)

Remuneration Report – Audited (cont.,

REMUNERATION POLICY

The remuneration policy of the Group has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific short and long-term incentives based on key performance areas affecting the consolidated group's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the consolidated group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for key management personnel of the consolidated group is as follows:

- The remuneration policy, setting the terms and conditions for the key management personnel, was developed by the Board and is reviewed annually by the Remuneration Committee.
- » All executive key management personnel receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits and performance incentives.
- » All Non Executive Directors receive base fees and Committee fees (inclusive of superannuation).
- The Board reviews key management personnel packages annually by reference to the consolidated group's performance, executive performance and comparable information from industry sectors.

The Remuneration Committee's responsibilities include reviewing the Group's remuneration framework, evaluating the performance of the Managing Director and monitoring performance of the executive team.

Executive key management personnel

The performance of key management personnel is measured against criteria agreed annually with each executive and is based predominantly on key performance indicators ("KPIs") expected to provide maximum shareholder value. All bonuses and incentives are linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and share based payments. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Key management personnel are also entitled to participate in the employee share, option and performance rights arrangements.

The key management personnel receive a superannuation guarantee contribution required by the government, which is 9.5% for 2015 (2014: 9.25%), and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to key management personnel is valued at the cost to the Company and expensed. Options and performance rights are valued using the Black-Scholes methodology.

Non Executive Directors

The Board policy is to remunerate Non Executive Directors at market rates for time, commitment and responsibilities. The Board determines payments to the Non Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non Executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for Non Executive Directors are not linked to the performance of the consolidated group. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and are able to participate in the employee share option and performance rights arrangements.

From 1 January 2014, the Board approved the introduction of Committee fees for Non Executive Directors for their membership of the following Board Committees:

- » Remuneration Committee;
- » Audit, Risk and Compliance Committee;
- » Project Steering Committee.

The approved Committee fees (inclusive of superannuation) are \$10,925 per annum for each Chairman and \$5,463 per annum for each Committee member. The total base fees and Committee fees paid for the year ended 30 June 2014 did not exceed the shareholder approved limit of \$600,000.









Directors' Report (cont.)

Remuneration Report – Audited (cont.)

The Non Executive Director remuneration packages (inclusive of superannuation) from 1 January 2014 are as follows:

	Base	Remuneration Committee		Audit, Risk and Compliance Committee		Project Steering Committee		Total
		Chair	Member	Chair	Member	Chair	Member	
	\$	\$	\$	\$	\$	\$	\$	\$
John Hopkins	142,025	-	-	-	5,463	-	-	147,488
Ronnie Beevor	65,550	10,925	-	10,925	-	-	-	87,400
Nick Clarke	65,550	-	5,463	-	-	-	5,463	76,476
Chris Corbett	65,550	-	5,463	-	-	10,925	-	81,938
Don Newport	65,550	-	5,463	-	5,463	-	-	76,476
Michael Wolley	65,550	-	5,463	-	-	-	5,463	76,476
	469,775	10,925	21,852	10,925	10,926	10,925	10,926	546,254

PERFORMANCE-BASED REMUNERATION

The Company is an exploration and development entity and therefore speculative in terms of performance. Consistent with attracting and retaining talented executives, directors and senior executives are paid market rates associated with individuals in similar positions, within the same industry.

Short term incentives

During the year the Board introduced a Short Term Incentive Plan ("STI") for executive and senior management personnel. The STI measurement is to be based on KPI's that are set and agreed each year by the Remuneration Committee and the Board.

Based on individual and Company performance, the STI is paid in cash on a pro-rata basis of the fixed salary remuneration, as follows:

	2014 Target	2015 Target
Managing Director	33%	55%
Executive Key Management Personnel	20%	35%
Senior Operations Management	10%	10%

The Remuneration Committee has identified 2015 as a significant year of change for the Group as it moves to complete the Project and generate positive cashflows. As such, the Remuneration Committee believes that a larger STI would be more appropriate in aligning performance with the Group's goals.

In addition to the STI above, the Board also introduced a separate STI for the senior construction management, focused on the successful completion of the Project in 2015. The contruction STI will be paid in cash on a pro rata basis of the fixed salary remuneration, as follows:

	Target
Project Manager	55%
Senior Construction Management	20%

Long term incentives

There was no Long Term Incentive Plan ("LTI") in place for the year ended 30 June 2014, however the Board is currently formalising the LTI arrangements as announced for the Managing Director on 29 July 2014.

Under the proposed LTI, the Managing Director and senior managers are provided with performance rights based on a pro rata of their fixed salary remuneration at the date of grant, vesting over defined periods, subject to the attainment of the LTI assessment criteria which are as follows:

- » 50% calculated on the Company's relative performance to a peer group of companies, being the AIM Basic Resources Index; and
- » 50% based on the Company achieving absolute Total Shareholder Return ("TSR") targets where TSR is an annualised percentage change that incorporates both share price appreciation and dividends paid.

The proposed LTI will be included in the notice of meeting for shareholder approval at the 2014 Annual General Meeting.









Directors' Report (cont.)

Remuneration Report – Audited (cont.)

Long term incentives (cont.)

The proposed target LTI eligible for the next two financial years is as follows:

	20		
	Tranche 1	Tranche 2	2016
Managing Director	60%	45%	65%
Executive Key Management Personnel	40%	25%	40%

Under the proposed LTI, two tranches will be granted in 2015 to acknowledge performance to date on the Project. Tranche 1 will be calculated based on the employee's fixed salary remuneration for the 2014 financial year. Tranche 2 will be calculated based on the employee's fixed salary remuneration for the 2015 financial year.

The Remuneration Committee has identified 2015 as a significant year of change for the Group as it moves to complete the Project and generate positive cashflows. As such, the Remuneration Committee believes that a larger STI would be more appropriate in aligning performance with the Group's goals. This has resulted in Tranche 2 of the LTI being temporarily reduced in the 2015 financial year.

The proposed LTI for the Managing Director is subject to shareholder approval and will be included in the notice of meeting for the 2014 Annual General Meeting.

KEY MANAGEMENT PERSONNEL EMPLOYMENT POLICY

The contracts for service between the Company and key management personnel are on a continuing basis, the terms of which are not expected to change in the immediate future. The employment conditions of the Managing Director, Russell Clark, and other key management personnel are formalised in contracts of employment. All key management personnel are permanent employees of Wolf Minerals Limited, except for Jeff Harrison who is employed by Wolf Minerals (UK) Limited, a wholly owned subsidiary.

The standard employment contract states a threemonth resignation period for key management personnel. The Company may terminate an employment contract without cause by providing one to three months' written notice or making payment in lieu of notice, based on the individual's salary component.

(a) Key management personnel remuneration

	Short-Term Benefits			Share Based Payments Post-Employment Benefits			
	Salary and Fees	Non-Cash Benefits	Bonuses	Options / Rights	Super- annuation	Termination Benefits	Total
	\$	\$	\$	\$	\$	\$	\$
2014							
John Hopkins	115,000	-	-	-	10,637	-	125,637
Russell Clark ¹	285,297	697	99,400	-	26,390	-	411,784
Ronnie Beevor ²	57,707	-	-	-	-	-	57,707
Nick Clarke ³	36,981	-	-	-	-	-	36,981
Chris Corbett ⁴	59,719	-	-	-	-	-	59,719
Don Newport	63,238	-	-	-	-	-	63,238
Michael Wolley ⁵	66,030	-	-	-	-	-	66,030
Humphrey Hale ⁶	270,760	-	350,000	-	10,771	109,250 ⁷	740,781
Jim Williams ⁸	25,962	-	-	-	2,401	-	28,363
Jeff Harrison ⁹	177,137	-	32,194	10,437	93,373	-	313,141
Richard Lucas	288,750	-	43,107	20,874	26,709	-	379,440
Rupert McCracken	393,750	-	-	20,874	36,422	-	451,046
	1,840,331	697	524,701	52,185	206,703	109,250	2,733,867









Directors' Report (cont.)

Remuneration Report – Audited (cont.)

(a) Key management personnel remuneration (cont.)

	Short-Term Benefits			Share Based Payments			
	Salary and Fees	Non-Cash Benefits	Bonuses	Options / Rights	Super- annuation	Termination Benefits	Total
	\$	\$	\$	\$	\$	\$	\$
2013							
John Hopkins	82,500	-	-	-	14,925	-	97,425
Humphrey Hale	300,000	-	-	-	27,000	-	327,000
lan Bruce	18,946	-	-	-	-	-	18,946
Adrian Byass	49,583	-	-	-	-	-	49,583
Chris Corbett	56,250	-	-	-	-	-	56,250
Jonathan Downes	47,222	-	-	-	4,250	-	51,472
Don Newport	50,000	-	-	-	-	-	50,000
Jim Williams	50,000	-	-	-	-	-	50,000
Richard Lucas	275,000	12,436	-	-	24,750	-	312,186
Rupert McCracken	375,000	-	-	-	33,750	-	408,750
	1,304,501	12,436	-	-	104,675	-	1,421,612

- 1 Russell Clark commenced on 16 October 2013.
- 2 Ronnie Beevor commenced on 20 September 2013.
- 3 Nick Clarke commenced on 7 January 2014
- 4 Chris Corbett's remuneration is paid to RCF Capital Funds Management Pty Ltd. Mr Corbett is Resource Capital Fund V LP's representative director on the Board.
- 5 Michael Wolley's remuneration is paid to TTI (NZ) Limited. Mr Wolley is TTI (NZ) Limited's representative director on the Board.
- 6 Humphrey Hale resigned on 16 October 2013. Salary and fees includes \$154,322 of annual and long service leave entitlements paid out upon resignation.
- 7 Humphrey Hale received a payment of 3 months salary and superannuation upon ceasing employment with the Company in accordance with the terms of his employment contract. The total termination payments to Humphrey Hale did not exceed the statutory limit for such payments.
- 8 Jim Williams resigned on 7 January 2014.
- 9 Jeff Harrison commenced as a director of Wolf Minerals (UK) Limited on 14 April 2014. Prior to this he was not considered as key management personnel as defined in AASB 124 Related Party Disclosures.

Performance income as a proportion of total income

For the year ended 30 June 2014, an assessment was made of performance against the agreed KPIs and STI payments totalling \$227,690 were approved by the Remuneration Committee and the Board and paid in cash, with the following amounts paid to key management personnel:

Russell Clark	\$99,400
Richard Lucas	\$43,107
Jeff Harrison	\$32,194

Also during the year, prior to the introduction of the STI, Mr Hale was paid a cash bonus of \$350,000 approved by the by the Remuneration Committee and the Board in its discretion for performance over the past two years in progressing the Company's objectives.

(b) Options and performance rights issued as part of remuneration for the year ended 30 June 2014

During the year, prior to the introduction of the STI, the issue of 147,000 performance rights was approved by the by the Remuneration Committee and the Board in its discretion for performance over the past two years in progressing the Company's objectives. The rights were issued to the following key management personnel:

	Number	Value
Rupert McCracken	58,800	\$20,874
Richard Lucas	58,800	\$20,874
Jeff Harrison	29,400	\$10,437

The rights have been valued at the price of Wolf Minerals Limited Ordinary Shares on the date of issue being \$0.355. Refer to the Options and rights holding table below for further details.









Directors' Report (cont.)

Remuneration Report – Audited (cont.)

(c) Shares issued on exercise of compensation options and rights

There were 147,000 rights granted as compensation exercised during the year ended 30 June 2014. The rights were granted on 23 December 2013 and were exercised on 8 May 2014. Refer to the Shareholdings table below for further details.

(d) Shareholdings

2014	Balance 1.7.2013	Received as Compensation	Options/Rights Exercised	Net Change Other	Balance on (Resignation)/ Appointment	Balance 30.6.2014
Number of shares held by key management personnel:						
John Hopkins	204,000	-	-	130,000	-	334,000
Russell Clark	-	-	-	83,333	-	83,333
Ronnie Beevor	-	-	-	250,000	100,000	350,000
Humphrey Hale	2,006,000	-	-	-	(2,006,000)	-
Jim Williams	80,000	-	-	-	(80,000)	-
Jeff Harrison	-	-	29,400	50,000	-	79,400
Richard Lucas	-	-	58,800	16,667	-	75,467
Rupert McCracken	-	-	58,800	100,000	-	158,800
Total	2,290,000	-	147,000	630,000	(1,986,000)	1,081,000

The Net Change Other reflected above includes participation in the capital raise completed on 21 May 2014 and on-market purchases.

2013 Number of shares held by key management personnel:	Balance 1.7.2012	Received as Compensation	Options/Rights Exercised	Net Change Other	Balance on (Resignation)/ Appointment	Balance 30.6.2013
John Hopkins	170,000	-	34,000		-	204,000
Humphrey Hale	1,955,000	-	51,000	-	-	2,006,000
lan Bruce	659,770	-	-	-	(659,770)	-
Adrian Byass	1,020,000	-	-	-	(1,020,000)	-
Jonathan Downes	1,089,360	-	-	25,000	(1,114,360)	-
Jim Williams	-	-	-	80,000	-	80,000
Total	4,894,130	-	85,000	105,000	(2,794,130)	2,290,000

The Net Change Other reflected above includes on-market purchases.









Directors' Report (cont.)

Remuneration Report – Audited (cont.)

(e) Options and rights holdings

2014	Balance 1.7.2013	Granted as Compensation	Options / Rights Exercised	Net Change Other	Balance 30.6.2014	Total Vested 30.6.2014	Total Exercisable 30.6.2014
Number of options and rights held by key management per							
John Hopkins	850,000	-	-	(850,000)	-	-	-
Humphrey Hale	416,667	-	-	(416,667)	-	-	-
Jeff Harrison	110,000¹	29,400²	(29,400)	-	110,000	-	-
Richard Lucas	152,778	58,800²	(58,800)	-	152,778	-	-
Rupert McCracken	954,167	58,800²	(58,800)	-	954,167	850,000	850,000
Total	2,483,612	147,000	(147,000)	(1,266,667)	1,216,945	850,000	850,000

2013	Balance 1.7.2012	Granted as Compensation	Options / Rights Exercised	Net Change Other	Balance 30.6.2013	Total Vested 30.6.2013	Total Exercisable 30.6.2013
Number of options and right held by key management pe							
John Hopkins	884,000	-	(34,000)	-	850,000	850,000	850,000
Humphrey Hale	1,317,667	-	(51,000)	(850,000)	416,667	-	-
lan Bruce	1,831,954	-	-	(1,831,954)	-	-	-
Adrian Byass	204,000	-	-	(204,000)	-	-	-
Jonathan Downes	217,872	-	-	(217,872)	-	-	-
Don Newport	425,000	-	-	(425,000)	-	-	-
Jim Williams	425,000	-	-	(425,000)	-	-	-
Richard Lucas	152,778	-	-	-	152,778	-	-
Rupert McCracken	954,167	-	-	-	954,167	850,000	850,000
Total	6,412,438	_	(85,000)	(3,953,826)	2,373,612	1,700,000	1,700,000

The Net Change Other reflected above includes those options or rights that have expired without being exercised during the year.

(f) Additional Information

Performance over the Past 5 Years

The objective of the LTI program is to reward and incentivise executives in a manner which aligns with the creation of shareholder wealth. The Company's performance over the 2014 financial year and the previous four financial years are tabulated below:

Year ended 30 June	2014	2013	2012	2011	2010
Net loss after tax (\$'000)	(3,732)	(4,711)	(5,426)	(1,054)	(1,542)
Net assets (\$'000)	221,067	40,192	7,427	10,166	7,468
Market capitalisation (\$ million) at 30 June	226	44	27	28	13
Closing share price (\$)	0.28	0.22	0.29	0.33	0.36

¹ Jeff Harrison commenced as a director of Wolf Minerals (UK) Limited on 14 April 2014. Prior to this he was not considered as key management personnel as defined in AASB 124 Related Party Disclosures.

² Performance rights issued as part of remuneration.









Directors' Report (cont.)

MEETINGS OF DIRECTORS

The numbers of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2014, and the numbers of meetings attended by each Director were:

	Directors' Meetings		Audit, Risk and Compliance Committee		Project Steering Committee		Remuneration Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
John Hopkins	17	17	3	3	2	2	-	-
Russell Clark ¹	12	12	-	-	8	2	-	-
Ronnie Beevor ²	14	12	2	2	-	-	2	2
Nick Clarke ³	9	9	-	-	6	5	1	1
Chris Corbett	17	17	-	-	11	11	2	2
Don Newport	17	15	3	3	-	-	2	2
Michael Wolley	17	15	-	-	11	5	2	1
Humphrey Hale ⁴	5	5	-	-	4	3	-	-
Jim Williams 5	8	6	1	-	5	3	1	1

- 1 Russell Clark commenced on 16 October 2013.
- 2 Ronnie Beevor commenced on 20 September 2013.
- 3 Nick Clarke commenced on 7 January 2014.
- 4 Humphrey Hale resigned on 16 October 2013.
- 5 Jim Williams resigned on 7 January 2014.

INDEMNIFYING OFFICERS

During or since the end of the financial year the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The Company has paid premiums to insure each of the following directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium was approximately \$2,644 for each Director.

- » John Hopkins
- » Russell Clark
- » Ronnie Beevor
- » Chris Corbett
- » Nick Clarke
- » Don Newport
- » Michael Wolley
- » Humphrey Hale
- » Jim Williams

The Company has not indemnified the auditor or paid any insurance premium on behalf of the auditor.









Directors' Report (cont.)

OPTIONS

At the date of this report, the unissued ordinary shares of Wolf Minerals Limited under options or rights are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option	Number of Rights
26/11/09	26/11/14	\$0.34	850,000	-
04/11/11	01/12/18	\$0.00	-	366,945
10/04/12	01/04/15	\$0.33	478,012	-
10/04/12	01/04/15	\$0.39	100,418	-
19/07/13	19/07/15	\$0.33	524,086	-
19/07/13	19/07/15	\$0.39	223,882	-
16/10/12	16/10/15	\$0.33	529,845	-
16/10/12	16/10/15	\$0.39	226,342	-
09/01/13	19/01/16	\$0.33	529,845	-
09/01/13	19/01/16	\$0.39	226,342	-
30/01/13	30/01/16	\$0.33	172,776	-
30/01/13	30/01/16	\$0.39	73,807	-
22/05/13	22/05/16	\$0.26	3,200,000	-
			7,135,355	366,945

No person entitled to exercise an option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

The Board is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- » all non-audit services are reviewed and approved by the board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- w the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

No remuneration for non-audit services was paid to the external auditors during the year ended 30 June 2014.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2014 has been received and can be found on page 18 of the Directors' report.

This report is made in accordance with a resolution of the Board of Directors. These financial statements were authorised for issue on 9 September 2014 by the Directors of the Company.

Russell Clark
Director

9 September 2014









Auditor's Independence Declaration



Chartered Accountants & Business Advisers

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF WOLF MINERALS LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

PKF MACK & CO

PKF Mackond Co.

S FERMANIS PARTNER

9 SEPTEMBER 2014 WEST PERTH, WESTERN AUSTRALIA

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Directors' Declaration

The Directors of the Company declare that:

- 1. The financial statements and notes, as set out on pages 22 to 54, and the remuneration disclosures in the Directors Report designated audited are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards and the Corporations Regulations 2001; and
- b. give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the Company and consolidated group;
 - c. the financial statements are in compliance with International Financial Reporting Standards, as stated in note 1 to the financial statements.
- 2. The Managing Director and Chief Financial Officer have each declared that:
 - a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - b. the financial statements and notes for the financial year comply with the Accounting Standards; and
 - c. the financial statements and notes for the financial year give a true and fair view.
- 3. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Russell Clark

Director

9 September 2014









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Independent Auditor's Report



Chartered Accountants & Business Advisers

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOLF MINERALS LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Wolf Minerals Ltd (the company), which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.









Independent Auditor's Report (cont.)



Chartered Accountants & Business Advisers

Opinion

In our opinion:

- (a) the financial report of Wolf Minerals Ltd is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed inNote 1.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the consolidated entity incurred a net loss of \$3,731,574 during the year ended 30 June 2014, and will need to generate positive cash flows from the Hemerdon tungsten and tin project to repay its debt funding facilities. These conditions along with other matters as set forth in Note 1, indicates the existence of a material uncertainty that may cast doubt about the consolidated entity's ability to continue as a going concern and therefore the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

PKF Mackond Co.

We have audited the Remuneration Report included in pages 9 to 15 of the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Wolf Minerals Ltd for the year ended 30 June 2014, complies with section 300A of the Corporations Act 2001.

PKF MACK & CO

SIMON FERMANIS PARTNER

9 SEPTEMBER 2014

WEST PERTH,

WESTERN AUSTRALIA









Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 30 June 2014

	Note	2014 \$	2013 \$	
Revenue	2	137,825	94,463	
Other income	2	64	31,078	
Administration expenses		(1,260,389)	(746,739)	
Compliance expenses		(247,412)	(262,060)	
Consultancy expenses		(694,002)	(1,103,523)	
Directors' fees		(438,740)	(373,851)	
Employee benefits expense	3	(1,834,524)	(890,296)	
Depreciation expense	11	(50,999)	(14,775)	
Equity compensation benefits	3, 22	(52,185)	(470,658)	
Finance costs	3	(1,077,389)	(562,227)	
Foreign exchange gain/loss	3	2,659,322	(12,735)	
Insurance expenses		(38,910)	(76,802)	
Occupancy expenses		(458,569)	(224,442)	
Other expenses	3	(375,666)	(737,243)	
Loss before income tax		(3,731,574)	(5,349,810)	
Income tax benefit	4	-	638,550	
Loss for the year after income tax		(3,731,574)	(4,711,260)	
Other comprehensive income for the year				
Items that will not be reclassified subsequently to profit or loss				
Income gained from mineral rights outside of the ordinary activity of the company	3	-	6,551,564	
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation		4,009,733	1,872,739	
Other comprehensive income for the year (net of tax)		4,009,733	8,424,303	
Total comprehensive income for the year				
attributable to members of the parent	_	278,159	3,713,043	
LOSS PER SHARE				
Basic loss per share (cents)	7	(1.40)	(3.30)	
Diluted loss per share (cents)	7	(1.40)	(3.30)	

The accompanying notes form part of these financial statements.









Financial Position

as at 30 June 2014

	Note	2014 \$	2013 \$
CURRENT ASSETS			
Cash and cash equivalents	8	102,819,455	18,668,143
Trade and other receivables	9	6,103,522	454,243
Other current assets	12	13,462,065	9,712,552
TOTAL CURRENT ASSETS		122,385,042	28,834,938
NON CURRENT ASSETS			
Property, plant and equipment	11	353,872	58,929
Development assets	13	119,669,556	31,895,741
Other non-current assets	12	6,444,561	-
TOTAL NON CURRENT ASSETS		126,467,989	31,954,670
TOTAL ASSETS		248,853,031	60,789,608
CURRENT LIABILITIES			
Trade and other payables	14	25,600,767	13,117,610
Provisions	15	126,789	167,596
Financial liabilities	16	-	7,312,695
TOTAL CURRENT LIABILITIES		25,727,556	20,597,901
NON CURRENT LIABILITIES			
Provisions	15	2,058,561	-
TOTAL NON CURRENT LIABILITIES		2,058,561	-
TOTAL LIABILITIES	_	27,786,117	20,597,901
NET ASSETS		221,066,914	40,191,707
EQUITY			
Issued capital	17	226,295,680	45,698,632
Reserves	18	7,379,975	3,370,242
Accumulated losses		(12,608,741)	(8,877,167)
TOTAL EQUITY		221,066,914	40,191,707

The accompanying notes form part of these financial statements.









Changes in Equity

For the Financial Year Ended 30 June 2014

	Ordinary shares	Accumulated losses	Option reserve	Foreign currency translation reserve	Total
	\$	\$	\$	\$	\$
Balance at 30 June 2012	17,271,469	(10,717,471)	1,873,744	(1,001,032)	7,426,710
Loss for the year	-	(4,711,260)	-	-	(4,711,260)
Other comprehensive income					
Foreign currency translation differences	-	-	-	1,872,739	1,872,739
Sale of mining royalty	-	6,551,564	-	-	6,551,564
Total comprehensive income for the year	-	1,840,304	-	1,872,739	3,713,043
Transactions with owners, recorded directly in equity					
Issue of share capital	28,458,914	-	-	-	28,458,914
Transaction costs	(31,751)	-	-	-	(31,751)
Equity compensation benefit	-	-	624,791	-	624,791
Balance at 30 June 2013	45,698,632	(8,877,167)	2,498,535	871,707	40,191,707
Loss for the year	-	(3,731,574)	-	-	(3,731,574)
Other comprehensive income					
Foreign currency translation differences	-	-	-	4,009,733	4,009,733
Total comprehensive income for the year	-	(3,731,574)	-	4,009,733	278,159
Transactions with owners, recorded directly in equity					
Issue of share capital	182,956,472	-	-	-	182,956,472
Transaction costs	(2,359,424)	-	-	-	(2,359,424)
Equity compensation benefit	-	_	-	-	-
Balance at 30 June 2014	226,295,680	(12,608,741)	2,498,535	4,881,440	221,066,914

The accompanying notes form part of these financial statements.









Cash Flows

For the Financial Year Ended 30 June 2014

	Note	2014 \$	2013 \$
Cash Flows from Operating Activities			
Payments to suppliers and employees		(4,282,319)	(4,112,737)
Sale of royalty		-	6,551,564
Interest received		137,870	94,419
Other income	_	-	-
Net cash generated from/(used in) operating activities	21	(4,144,449)	2,533,246
Cash Flows from Investing Activities			
Payments for exploration and development		(72,284,024)	(10,633,808)
Payments for property, plant & equipment		(342,808)	(35,441)
Net cash used in investing activities		(72,626,832)	(10,669,249)
Cash Flows from Financing Activities			
Proceeds from issue of shares		182,904,287	25,861,549
Payments for share issue costs		(2,359,424)	(31,750)
Proceeds from borrowings		67,935,000	10,933,977
Repayment of borrowings		(74,031,696)	(6,000,000)
Payments for borrowing costs		(10,960,613)	(7,066,543)
Net cash generated from financing activities		163,487,554	23,697,233
Net increase in cash and cash equivalents		86,716,273	15,561,230
Effects of exchange rate changes on the balance of cash held in foreign currencies		(2,564,961)	1,033,494
Cash and cash equivalents at beginning of financial year		18,668,143	2,073,419
Closing cash and cash equivalents carried forward	8	102,819,455	18,668,143

The accompanying notes form part of these financial statements.









Notes to the Financial Statements

For the Financial Year Ended 30 June 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report includes the consolidated financial statements and notes of Wolf Minerals Limited and its controlled entities ("Consolidated Entity" or "Group"), and the parent entity disclosure for Wolf Minerals Limited as an individual parent entity ("Parent Entity").

Wolf Minerals Limited is a listed public company, trading on the Australian Securities Exchange and Alternative Investment Market of the London Stock Exchange, limited by shares, incorporated and domiciled in Australia.

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

Statement of Compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) including Australian Interpretations and other pronouncements adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001 for profit orientated entities. The consolidated financial report of the Group and the financial report of the Company comply with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements were authorised for issue by the Board of Directors on 9 September 2014. The Board has the power to amend and reissue the financial statements.

Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position if applicable:

- » derivative financial instruments are measured at fair value
- » financial instruments at fair value through profit or loss are measured at fair value
- » available-for-sale financial assets are measured at fair value
- » liabilities for cash-settled share-based payment arrangements are measured at fair value
- w the defined benefit asset is measured as the net total of the plan assets, plus unrecognised past service cost and unrecognised actuarial losses, less unrecognised actuarial gains and the present value of the defined benefit obligation.

Use of Estimates and Judgements

The preparation of financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are set out in Note 1(b). Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets and liabilities affected in future periods.

Going Concern

The accounts have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The Group incurred a loss after tax of \$3,731,574 for the year ended 30 June 2014 (2013: \$4,711,260).

The Company has arranged a funding package for the Group of £75 million (refer note 16) which has enabled commencement of the Project, which is expected to be generating positive operational cashflows in 2015. The Group is able to fund its working capital as part of this package. The funding package is secured by the Group's assets.

The Group is currently funded through equity raised as part of the successful capital raise completed on 21 May 2014. The Group intends to utilise its current cash holding before drawing down on the Senior Secured Loan facility (refer note 16). The Group is fully financed to positive cashflows.

At the date of approval of these accounts, and based upon the budgeted levels of expenditure and Board approved cash flow forecasts, the Directors are satisfied that the Group has sufficient cash and loan facilities to finance the Group's operating expense and the development of the Project. The Directors believe it is appropriate to prepare these accounts on a going concern basis.









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Notes to the Financial Statements (cont.) ... year ended 30 June 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Accounting Policies

a. Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by the Consolidated Entity as at 30 June 2014 and the results of all controlled entities for the year then ended.

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. All controlled entities have a June financial year end.

A list of controlled entities is contained in Note 10 to the financial statements.

Significant Accounting Estimates, Judgments and Assumptions

The preparation of financial statements requires management to make judgments and estimates relating to the carrying amounts of certain assets and liabilities. Actual results may differ from the estimates made. Estimates and assumptions are reviewed on an ongoing basis.

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next accounting period are:

(i) Share based payment transactions

The Consolidated Entity measures the cost of equity settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of share options and performance rights is determined by an external valuer using an appropriate valuation model.

(ii) Impairment of investments in and loans to subsidiaries

The ultimate recoupment of the Company's investment in subsidiaries, and loans to subsidiaries is dependent on the successful development and commercial exploitation, or alternatively, sale, of the development assets.

Impairment tests are carried out on a regular basis to identify whether the asset carrying values exceed their recoverable amounts. There is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

The key areas of judgement and estimation include:

- » Recent development results and mineral resource estimates;
- » Environmental issues that may impact on the underlying tenements;
- » Fundamental economic factors that have an impact on the operations and carrying values of assets and liabilities.

(iii) Estimated impairment of mine development assets (Note 13)

The Company tests annually whether the mine development asset has suffered any impairment. The recoverable amount of the cash generating unit ("CGU") has been determined based on value in use calculations which require the use of estimates and assumptions such as long-term commodity prices, discount rates, operating costs, future capital requirements and mineral resource estimates (see below). These estimates and assumptions are subject to risk and uncertainty and therefore there is a possibility that changes in circumstances will impact the recoverable amount. The Project is the Group's only CGU.

In assessing the carrying amounts of its Mine Development asset at the Project, the Directors have used an updated financial model based upon the original Definitive Feasibility Study prepared by the Parent Entity in conjunction with a number of independent experts. The study has been approved by the Directors.

The assessment period used in the model is the anticipated life of the mine of 9.25 years plus the period for construction and preparation for full production. Tungsten revenues have been estimated over that period at a price of US\$360/mtu. Tin revenues have been estimated over that period at a price of US\$22,000/tonne. These conservative estimates are based on, and are consistent with, external sources of information. The calculation assumes average annual tungsten and tin production of 345,000mtu and 460 tonnes respectively.









Notes to the Financial Statements (cont.) ... year ended 30 June 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

b. Significant Accounting Estimates, Judgments and Assumptions (cont.)

(iii) Estimated impairment of mine development assets (Note 13) (cont.)

Total capital expenditure is estimated at £123 million with a life of mine operating cost, after tin credits, of US\$109/ mtu. The model assumes that future applications to extend the planning permission will be approved. Royalties have been calculated at 2% of gross sales revenues and corporate income tax at 23%, reducing to 21% by 2014, according to the relevant laws in the United Kingdom. A discount rate of 8% has been utilised. Based on the calculations, the net present value after the recoupment of capital costs of the Project is positive therefore no impairment has been recorded.

The recoverable amount is not sensitive to reasonably possible changes in the key assumptions which would cause the carrying amount to exceed the recoverable amount.

(iv) Mine environmental rehabilitation and restoration provision (Note 15)

Rehabilitation costs will be incurred by the Group at the end of the operating life of the Project. The Group assesses its rehabilitation provision at each reporting date. The ultimate rehabilitation costs are uncertain and cost estimates can vary in response to various factors, including estimates of the extent and costs of rehabilitation activities, regulatory changes, inflation rates and changes in discount rates. These uncertainties may result in future actual expenditure differing from the amounts currently provided and there could be significant adjustments to the provisions established which would affect future financial results. The provision as at 30 June 2014 represents management's best estimate of the present value of future rehabilitation costs required.

(v) Income tax expenses

Judgement is required in assessing whether deferred tax assets and liabilities are recognised on the statement of financial position. Deferred tax assets, including those arising from temporary differences, are recognised only when it is considered more likely than not that they will be recovered, which is dependent on the generation of future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised.

c. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 12 months or less, and bank overdrafts.

d. Receivables

Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment is raised when some doubt as to collection exists.

e. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Freehold land

Freehold land is recognised at historic cost and is not depreciated as it has an indefinite useful life.

Plant and equipment

Plant and equipment are measured on the cost basis.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a diminishing value basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset

Depreciation Rate 10 – 40%

Plant and equipment 10 –

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.









Notes to the Financial Statements (cont.) ... year ended 30 June 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

f. Exploration and Evaluation Assets

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in the statement of comprehensive income.

Exploration and evaluation assets are only recognised if the rights of interest are current and it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

An impairment exists when the carrying amount of capitalised exploration and evaluation expenditure relating to an area of interest exceeds its recoverable amount. The asset is then written down to its recoverable amount. Any impairment losses are recognised in the statement of comprehensive income.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation expenditure to development assets and depreciated over the life of the mine.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Where applicable, such costs are determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

g. Development Assets

Capitalised mining development costs include expenditures incurred to develop new ore bodies to define further mineralisation in existing ore bodies, to expand the capacity of a mine and to maintain production. Mining development also includes costs transferred from exploration and evaluation phase once construction and development commences in the area of interest.

Amortisation of mining development is computed by the units of production basis over the estimated proved and probable reserves. Proved and probable mineral reserves reflect estimated quantities of economically recoverable reserves which can be recovered in the future from known mineral deposits. These reserves are amortised from the date on which production commences. The amortisation is calculated from recoverable proven and probable reserves and a predetermined percentage of the recoverable measured, indicated and inferred resource. This percentage is reviewed annually.

h. Financial Instruments

(i) Financial assets at fair value through profit or loss

This category has two sub-categories; financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the reporting date.

(ii) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the consolidated entity provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.









Notes to the Financial Statements (cont.) ... year ended 30 June 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

h. Financial Instruments (cont.)

(iii) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date.

Purchases and sales of investments are recognised on trade-date being the date on which the Consolidated Entity commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Consolidated Entity has transferred substantially all the risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the statement of comprehensive income in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as available-for-sale investments are recognised in equity in the "available for sale revaluation reserve". When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the statement of comprehensive income as gains and losses from investment securities.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Consolidated Entity establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing methods refined to reflect the issuer's specific circumstances.

Fair value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Consolidated Entity is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Consolidated Entity uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Consolidated Entity for similar financial instruments.

i. Investments

Interests in listed and unlisted securities are initially brought to account at cost.

Controlled entities are accounted for in the consolidated financial statements as set out in Note 1(a).

Other securities are included at fair value at reporting date. Unrealised gains/losses on securities held for short term investment are accounted for as set out in Note 1 (h) (i) financial assets at fair value through profit or loss. Unrealised gains/losses on securities held for long term investment are accounted for as set out in Note 1 (h) (iii) available for sale financial assets.









Notes to the Financial Statements (cont.) ... year ended 30 June 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

j. Acquisition of Assets

The purchase method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is determined as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

k. Impairment

(i) Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the effective interest rate.

An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised either in the statement of comprehensive income or revaluation reserves in the period in which the impairment arises.

(ii) Exploration and Evaluation Assets

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount at the reporting date.

Exploration and evaluation assets are tested for impairment in respect of cash generating units, which are no larger than the area of interest to which the assets relate.

(iii) Non-financial Assets Other Than Exploration and Evaluation Assets

The carrying amounts of the Consolidated Entity's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units, then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exits. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.









Notes to the Financial Statements (cont.) ... year ended 30 June 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

I. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

The Group recognises a restoration and rehabilitation provision where it has a legal and constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The nature of these restoration activities includes dismantling and removing structures; rehabilitating the mine; dismantling operating facilities; and restoring, reclaiming and revegetating affected areas.

On initial recognition, the present value of the estimated costs is capitalised by increasing the carrying amount of the related mining asset to the extent that it was incurred as a result of the development or construction of the mine. Any changes to or additional rehabilitation costs are recognised as additions or charges to the corresponding asset and rehabilitation liability when they occur.

Over time, the discounted liability is increased for the change in present value based on the discount rate that reflects current market assessments and the risks specific to the liability. The annual unwinding of the discount is recognised in profit or loss as part of finance costs.

The Group does not recognise the deferred tax asset in respect of the temporary difference on the rehabilitation liability nor the corresponding deferred tax liability in respect of the temporary difference on the rehabilitation asset.

m. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use (a qualifying asset) are capitalised as part of the cost of the respective asset until the asset is substantially ready for its intended use. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred under the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating borrowing costs over the relevant period. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

n. Contributed Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares, options or performance rights are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares, options or performance rights, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

o. EPS

Basic earnings per share

Basic earnings per share is determined by dividing the net profit after income tax attributable to members of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

p. Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the Parent Entity's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.









Notes to the Financial Statements (cont.) ... year ended 30 June 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

p. Foreign Currency Transactions and Balances (cont.)

Exchange differences arising on the translation of nonmonetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- » Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- » Income and expenses are translated at average exchange rates for the period; and
- » Retained profits are translated at the exchange rate prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position, Theses differences are recognised in the statement of comprehensive income in the period in which the operation is disposed.

q. Current/Non-current Classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

r. Revenue and Other Income

Interest revenue is recognised as it accrues. Dividend revenue is recognised when the right to receive a dividend has been established.

s. Employee Benefits

(i) Wages, salaries and annual leave

Liabilities for wages, salaries and annual leave expected to be settled within one year of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Employee benefits payable later than one year

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(iii) Superannuation

Contributions are made by the consolidated entity to superannuation funds as stipulated by statutory requirements and are charged as expenses when incurred.

(iv) Employee benefit on costs

Employee benefit on costs, including payroll tax, are recognised and included in employee benefits liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

t. Equity-settled Compensation

The Group operates equity-settled share-based payment employee share option and performance rights schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black–Scholes pricing model which takes into account the exercise price, the term of the option or right, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option or right, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option or right. The number of share option and performance rights expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.









Notes to the Financial Statements (cont.) ... year ended 30 June 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

u. Income Tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date.

Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

v. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

w. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.









Notes to the Financial Statements (cont.) ... year ended 30 June 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

x. New standards and interpretations not yet adopted

The following Australian Accounting Standards have been issued or amended and are applicable to the annual financial statements of the consolidated group (or the company) but are not yet effective. This assumes the following have not been adopted in preparation of the financial statements at the reporting date.

AASB No.	Title	Application date of standard*	Issue date
AASB 9	Financial Instruments	1 January 2018	December 2010
AASB 2012-3	Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities	1 January 2014	June 2012
AASB 2013-3	Amendments to AASB 136 – Recoverable amount disclosures for non-financial assets	1 January 2014	June 2013
AASB 2013-4	Amendments to Australian Accounting Standards – notation of derivatives and continuation of hedge accounting	1 January 2014	July 2013
AASB 2013-5	Amendments to Australian Accounting Standards – Investment entities	1 January 2014	August 2013
AASB 2013-9	Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments Part A - Conceptual Framework Part B - Materiality Part C - Financial Instruments	Part A – 20 December 2013 Part B – 1 January 2014 Part C – 1 January 2015	December 2013
AASB 2014-1	Amendments to Australian Accounting Standards Part A - Annual Improvements 2010 - 2012 and 2011 - 2013 Cycles Part B - Defined Benefit Plans: Employee Contributions (Amendments to AASB 119) Part C - Materiality Part D - Consequential Amendments arising from AASB 14 Regulatory Deferral Accounts Part E - Financial Instruments	Part A – 1 July 2014 Part B – 1 July 2014 Part C – 1 July 2014 Part D – 1 January 2016 Part E – 1 January 2015	June 2014
AASB 1031	Materiality (Revised)	1 January 2014	December 2013
AASB 14	Regulatory Deferral Account	1 January 2016	June 2014
Interpretation 21	Levies	1 January 2014	May 2013
AASB 9	Financial Instruments	1 January 2018	December 2010
AASB 2012-3	Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities	1 January 2014	June 2012
AASB 2013-3	Amendments to AASB 136 – Recoverable amount disclosures for non-financial assets	1 January 2014	June 2013
AASB 2013-4	Amendments to Australian Accounting Standards – notation of derivatives and continuation of hedge accounting	1 January 2014	July 2013
AASB 2013-5	Amendments to Australian Accounting Standards – Investment entities	1 January 2014	August 2013
Amendments to IAS 16 PP&E and IAS 38 Intangible Assets	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	1 January 2016	May 2014
IFRS 15	Revenues from Contracts with Customers	1 January 2017	May 2014









NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

y. New, Revised or Amending Accounting Standards and Interpretations Adopted

The Consolidated Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the Consolidated Entity from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Consolidated Entity.

The following Accounting Standards and Interpretations are most relevant to the Consolidated Entity:

AASB 10 Consolidated Financial Statements

The Consolidated Entity has applied AASB 10 from 1 July 2013, which has a new definition of 'control'. Control exists when the reporting entity is exposed, or has the rights, to variable returns from its involvement with another entity and has the ability to affect those returns through its 'power' over that other entity. A reporting entity has power when it has rights that give it the current ability to direct the activities that significantly affect the investee's returns. The Consolidated Entity not only has to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether it has the necessary power for consolidation purposes.

AASB 12 Disclosure of Interests in Other Entities

The Consolidated Entity has applied AASB 12 from 1 July 2013. The standard contains the entire disclosure requirement associated with other entities, being subsidiaries, associates, joint arrangements (joint operations and joint ventures) and unconsolidated structured entities. The disclosure requirements have been significantly enhanced when compared to the disclosures previously located in AASB 127 'Consolidated and Separate Financial Statements', AASB 128 'Investments in Associates', AASB 131 'Interests in Joint Ventures' and Interpretation 112 'Consolidation - Special Purpose Entities'.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13

The Consolidated Entity has applied AASB 13 and its consequential amendments from 1 July 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach is used to measure non-financial assets whereas liabilities are based on transfer value. The standard requires increased disclosures where fair value is used.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement

The Consolidated Entity has applied 2011-4 from 1 July 2013, which amends AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). Corporations and Related Legislation Amendment Regulations 2013 and Corporations and Australian Securities and Investments Commission Amendment Regulation 2013 (No.1) now specify the KMP disclosure requirements to be included within the directors' report.









Notes to the Financial Statements (cont.) ... year ended 30 June 2014

NOTE 2: REVENUE	2014 \$	2013 \$
Revenue		
- interest received	137,825	94,463
Other income		
- cost recoveries	64	31,078
Total revenue	137,889	125,541

NOTE 3: LOSS FOR THE YEAR	2014 \$	2013 <i>\$</i>
Losses for the year after charging the following items:		
Finance costs:		
- external	1,077,389	562,227
Foreign currency translation (gains)/losses	(2,659,322)	12,735
Operating leases:		
- office rent	260,234	222,443
The following significant revenue and expenses are relevant in explaining the financial performance:		
Income gained from mineral rights outside of the ordinary activity of the company ¹	-	6,551,564
Equity compensation benefits:		
- share based payments issued to employees	52,185	-
- share based payments issued to finance providers	-	470,658
	52,185	470,658
Employee benefits:		
- superannuation contributions	102,994	59,529
- transfer to/(from) provision for employee entitlements		
- Annual leave	(294)	18,717
- Long service leave	(40,512)	40,512
- salary and wages and other employee benefits	1,772,336	771,538
	1,834,524	890,296
Other expenses:		
Construction of the link road ²	375,666	737,243

¹ In return for a consideration of US\$7 million, the Group granted to Resource Capital Fund V LP a Royalty mineral right that equates to 2% of gross revenues from all metals and minerals produced from the Project. This will become payable on a quarterly basis once the mine has started production.

² The construction of the link road is a condition of the planning permission for the Project. The Group was required to construct the road for public adoption by Devon County Council. During the year, all expenditure incurred in constructing the link road has been expensed to the statement of profit or loss and other comprehensive income on the basis that the future economic benefits of the road are not directly attributable to the Group.









Notes to the Financial Statements (cont.) ... year ended 30 June 2014

NOTE 4: INCOME TAX EXPENSE	2014 \$	2013 \$
a. The components of tax expense comprise:		
Current tax	-	(638,550)
Deferred tax	-	-
	-	(638,550)
b. The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit from ordinary activities before income tax at 3	0% (2013: 30%)	
Consolidated group	(1,119,472)	(1,604,943)
Add:		
Tax effect of:		
- Other comprehensive income	-	1,965,469
- Share based payments	15,656	805,981
- Other non-allowable items	292,157	4,309
- Provisions and accruals	-	18,639
- Other assessable items	14	-
- Revenue losses not recognised	386,825	-
- Overseas revenue losses not recognised	333,430	-
- Effect of foreign exchange on rates on overseas revenue losses	-	6,780
- Lower tax rate in foreign jurisdictions on overseas revenue losses	166,716	225,019
	1,194,798	3,026,197
Less:		
Tax effect of:		
- Provisions and accruals	(10,479)	-
- Property, plant and equipment	-	(8,171)
- Capital raising costs	(64,847)	(64,847)
- Other non-assessable items	-	(14)
- Utilisation of revenue losses	-	(673,166)
- Utilisation of overseas revenue losses	-	(675,057)
- Research and development tax concession rebate	-	(638,550)
	(75,326)	(2,059,803)
Income tax expense/(benefit)	-	(638,550)

The income tax benefit in 2013 relates to the receipt of a refundable tax offset for research and development expenditure incurred. As at the date of this report, the potential refundable tax offset for the reporting period ended 30 June 2014 has not been determined.









Notes to the Financial Statements (cont.) ... year ended 30 June 2014

NOTE 4: INCOME TAX EXPENSE (cont.)	2014 \$	2013 \$
The applicable average weighted tax rates are as follows:	0%	0%
c. The following deferred tax balances have not been accounted for:		
Deferred tax assets:		
At 30%		
Carried forward revenue losses	705,671	318,846
Capital raising costs	81,375	146,222
Provisions and accruals	43,156	53,635
Unrealised foreign exchange	286,097	-
	1,116,299	518,703
At 20% (United Kingdom)		
Carried forward overseas revenue losses	345,666	18,403
	345,666	18,403

The tax benefits of the above Deferred Tax Assets will only be obtained if:

- (a) The company derives future assessable income of a nature and an amount sufficient to enable the benefits to be utilised; and
- (b) The company continues to comply with the deductibility conditions imposed by the Income Tax Assessment Act 1997 and its overseas equivalent; and
- (c) No change in income tax legislation adversely affects the company in utilising the benefits.

Deferred tax liabilities:

At 30%		
Exploration, evaluation and development expenditure	-	-
Accrued income	-	14
	-	14
At 20% (United Kingdom)		
Property, plant and equipment	5,447	5,447
	5,447	5,447

The above deferred tax liabilities have not been recognised as they have given rise to the carry forward revenue losses for which the deferred tax asset has not been recognised.









NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION	2014 \$	2013 \$
a. Key management personnel compensation		
The key management personnel compensation comprised:		
Short term employment benefits	2,365,729	1,316,937
Share based payments	52,185	-
Post employment benefits	315,953	104,675
	2,733,867	1,421,612

b. Individual directors' and executives' compensation disclosure

Information regarding individual directors' and executives' compensation and some equity instruments disclosures as required by Corporation Regulation 2M.3.03 is provided in the remuneration report section of the directors' report.

Apart from the details disclosed in this note, no director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving directors' interest existing at the year end.

c. Parent entity

The ultimate parent entity within the Group is Wolf Minerals Limited.

NOTE 6: AUDITORS' REMUNERATION	2014 \$	2013 \$
Remuneration of the auditor of the parent entity for:		
- Auditing and reviewing the financial report	89,950	58,500
- Taxation services	-	3,750
Remuneration of the auditors of the subsidiary for:		
- Auditing and reviewing the financial report	45,290	39,337
	135,240	101,587

NOTE 7: LOSS PER SHARE	2014 \$	2013 \$
a. Loss used to calculate basic and dilutive EPS	(3,731,574)	(4,711,260)
	2014 Number	2013 Number
 Weighted average number of ordinary shares on issue during the year used in the calculation of basic EPS 	266,495,658	142,667,801
c. Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	266,495,658	142,667,801









Notes to the Financial Statements (cont.) ... year ended 30 June 2014

NOTE 8: CASH AND CASH EQUIVALENTS	2014	2013
	\$	\$
Cash at bank and on hand	102,677,653	18,558,092
Short term bank deposits	141,802	110,051
	102,819,455	18.668.143

The effective interest rate on cash at bank and on hand and short-term bank deposits was 0.54% (2013: 1.3%); these deposits have an average maturity of 180 days.

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	102,819,455	18,668,143
---------------------------	-------------	------------

NOTE 9: TRADE AND OTHER RECEIVABLES Current	2014 \$	2013 \$
GST receivable	132,868	104,897
VAT receivable	5,970,654	349,346
	6,103,522	454,243

Provision for impairment of receivables

Current trade and term receivables are generally on 30 day terms. Non-current trade and term receivables are assessed for recoverability based on the underlying terms of the contract. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired.

There are no balances within trade and other receivables that are impaired and are past due. It is expected these balances will be received when due.

NOTE 10: CONTROLLED ENTITIES		Percentage owned	
		2014	2013
	Country of incorporation	%	%
Subsidiaries of Wolf Minerals Limited:			
Wolf Minerals (UK) Limited	United Kingdom	100	100
Wolf Minerals Finance Pty Ltd	Australia	100	-

Wolf Minerals Finance Pty Ltd was incorporated on 19 May 2014 as part of a proposed restructure of the Group's internal financing. The Group has also incorporated a United Kingdom entity, Wolf Minerals LLP, on 19 May 2014 however no equity has been issued.









NOTE 11: PROPERTY, PLANT & EQUIPMENT	2014 \$	2013 \$
Land and buildings:		
Freehold land at cost	-	-
Plant and equipment:		
At cost	450,517	109,455
Accumulated depreciation	(96,645)	(50,526)
Total plant and equipment	353,872	58,929
Total property, plant and equipment	353,872	58,929

	Freehold land	Plant & equipment	Total
	\$	\$	\$
Balance at 30 June 2012	515,882	38,263	554,145
Additions	-	35,763	35,763
Depreciation expense	-	(14,775)	(14,775)
Transfer to development asset	(530,453)	-	(530,453)
Effect of foreign currency exchange differences	14,571	(322)	14,249
Balance at 30 June 2013	-	58,929	58,929
Additions	-	342,808	342,808
Depreciation expense	-	(50,999)	(50,999)
Effect of foreign currency exchange differences	-	3,134	3,134
Balance at 30 June 2014	-	353,872	353,872

Freehold land has been acquired as part of the mine development of the Project. Following the progression of the Project into the development stage during the year ended 30 June 2013, freehold land was transferred to Mine Development assets. No depreciation charged in the year has been capitalised within Mine Development assets (2013: \$Nil).

NOTE 12: OTHER ASSETS	2014	2013
	\$	\$
Current		
Prepayments ¹	13,403,253	8,645,372
Accrued interest	-	45
Other assets ²	58,812	1,067,135
	13,462,065	9,712,552
Non-Current		
Other assets ²	6,444,561	-

¹ Transaction costs relating to the senior debt facilities (see Note 16) have been recognised as a prepayment as at 30 June 2014 as the facilities remained undrawn. Once the facilities are drawn, transaction costs will be allocated against the liability and amortised using the effective interest method.

² Other assets comprise a bond agreement and cash collateral deposits the Group has provided as security to various parties in connection with environmental restoration obligations. The bond and collateral deposits are not released until the underlying obligations have been fulfilled by the Group to the satisfaction of the UK authorities. The two major non-current collateral deposits are a £2.6M (~\$4.74M) financial provision for the restoration bond and a £0.8M (~\$1.36M) environmental waste permit.









Notes to the Financial Statements (cont.) ... year ended 30 June 2014

NOTE 13: EXPLORATION & DEVELOPMENT EXPENDITURE	2014	2013
	\$	\$
Exploration expenditure		
Brought forward	-	10,888,468
Exploration expenditure capitalised during the year	-	6,539,707
Transferred to development	-	(17,428,175)
At reporting date		
Mine development expenditure		
Brought forward	31,895,741	-
Effect of foreign currency exchange differences	3,562,239	-
Expenditure capitalised during the year	84,211,576	13,937,113
Transferred from exploration	-	17,428,175
Transferred from freehold land	-	530,453
At reporting date	119,669,556	31,895,741

The ultimate recoupment of mine development expenditure is dependent on the successful commercial development of the Project, including positive cashflows from production.

NOTE 14: TRADE PAYABLES	2014 \$	2013 \$
Current		
Trade payables ¹	2,466,599	1,784,227
Other liabilities ²	-	8,193,041
Accrued borrowing costs	306,075	929,229
Sundry payables and accrued expenses ³	22,828,093	2,211,113
	25,600,767	13,117,610

- 1 Trade and other payable are generally settled within 30 days.
- 2 Other liabilities at 30 June 2013 related to purchase of property in accordance with the exercise of options over the sale of the properties as part of the Project. The total purchase price of the properties has been capitalised as part of Mine Development assets (Note 13).
- 3 Accrued expenses at 30 June 2014 related to work performed by suppliers during June but not invoiced at period end, including the June monthly construction progress claims from GRES for \$17,424,759. The construction progress payments have been capitalised as part of Mine Development assets (Note 13).









NOTE 15: PROVISIONS	Mine rehabilitation ¹ Employee benef		Total	
	\$	\$	\$	
Opening balance at 1 July 2013	-	167,596	167,596	
Additional provisions	2,058,561	(40,807)	2,017,754	
Balance at 30 June 2014	2,058,561	126,789	2,185,350	

	2014 \$	2013 \$
Analysis of total provisions	126,789	167,596
Current	2,058,561	-
Non current	2,185,350	167,596

¹ The Group makes full provision for the future cost of rehabilitating mine sites and associated production facilities on a discounted basis at the time of constructing the mine and installing those facilities.

The rehabilitation provision represents the present value of rehabilitation costs relating to the Project site which are expected to be incurred up to and following the expiration date of the mining licence. The provision has been created based upon the updated Definitive Feasibility Study. Assumptions based upon the current economic environment and development work completed at the Project have been made, which management believes are a reasonable basis upon which to estimate the future liability, and will be reviewed regularly to take into account any material changes to the assumptions. The actual rehabilitation costs and works required will ultimately depend upon future market prices for the necessary rehabilitation works required, changes in future regulatory requirements and the timing on when the mine ceases to operate commercially.

The discount rate used in the calculation of the provision as at 30 June 2014 is 3% per annum. The value of the undiscounted provision is \$2,988,019.

NOTE 16: INTEREST-BEARING LIABILITIES	2014 \$	2013 \$
Current		
Loan from Resource Capital Fund VLP	-	7,312,695

Bridge Finance Facility

A 12 month secured Bridge Finance Facility of US\$75 million (A\$82 million) from Resource Capital Fund V LP was executed on 9 May 2013, to provide funding for development activities and the commencement of construction at the Project.

The Bridge Finance Facility had a maturity date of 12 months from the date of satisfaction of conditions precedent for the initial draw-down and all outstanding amounts were payable in full on the maturity date. The Bridge Finance Facility was secured over the Project, including the land, mines and minerals within the lease of the mine, and the Group was prevented from drawing down any further debt until it was repaid in accordance with its terms.

The initial US\$40 million of the Bridge Finance Facility was utilised by the Group for the purchase of properties (required to be purchased under the terms of the Project's planning permission), design engineering, procurement, owner's development costs and general working capital.

The first draw-down of US\$10 million (~\$11 million) was received on 10 June 2013. Total transaction costs for the year ended 30 June 2013 were \$4,433,728 and unamortised transaction costs of \$3,802,074 were recorded against the loan payable liability. The outstanding loan was restated to Australian dollars at 30 June 2013 using closing foreign currency exchange rates and the difference on translation was recorded as an unrealised foreign exchange gain in the statement of comprehensive income.

During the year the Group continued to draw down funds, utilising the facility as required. Transaction costs comprising interest and commitment fees of \$4,792,448 were incurred during the year, of which \$4,634,633 has been capitalised as part of the mine development asset together with all previously unamortised transaction costs. On 21 May 2014 the loan facility was repaid in full.









Notes to the Financial Statements (cont.) ... year ended 30 June 2014

NOTE 16: INTEREST-BEARING LIABILITIES (cont.)

Senior Secured Loan and Bond Facility

On 10 May 2013 the Group signed documentation with UniCredit Bank AG, London Branch; ING Bank N.V.; and Caterpillar Financial SARL for £75 million in senior debt finance facilities, incorporating a £70 million term loan facility and a £5 million bond facility. The term loan facility comprises two tranches, A and B, amounting to £32 million and £38 million respectively.

The financing structure includes a portion of the senior debt facilities being supported by a guarantee provided by the German government's United Loan Guarantee Scheme (Ungebundener Finankredit ("UFK")). The UFK Guarantee was issued in favour of the tranche A lenders relating to a minimum 90% of the tranche A element of the facility, in respect of commercial and political risks. An additional guarantee is in place through the Group's tungsten off-take partners, Wolfram Bergbau und Hütten AG and Global Tungsten & Powders Corp. Under the terms of the guarantee the Group has pledged the receivables due from the off-take partners as security for the loan facility. Together, these guarantees will cover approximately 50% of the senior loan facility.

The senior debt facility has a term of 7.5 years and repayments are to be made on a quarterly basis, commencing approximately six months after first production. No funds were drawn down by the Group during the year.

Financing Arrangements

The following financing arrangements were in place at the year end date:

Name	Currency	Availability	Maturity	Interest	Limit	Drawn	Undrawn
Senior Debt Term Loan	GBP	10 May 2013	7.5 years	LIBOR + 4.25%	£70 million	-	£70 million
Bond Facility	GBP	10 May 2013	7.5 years	2.75%	£5 million	-	£5 million

NOTE 17: ISSUED CAPITAL

807,845,616 (2013: 198,017,660) fully paid ordinary shares

2014	2013
\$	\$
226,295,680	45,698,632

	2014		2013	
	No.	\$	No.	\$
a. Ordinary shares				
At the beginning of reporting period	198,017,660	45,698,632	91,653,358	17,271,469
Shares issued during the year				
- 20 July - 2012	-	-	14,682,491	3,974,589
- 17 October 2012	-	-	630,137	151,233
- 10 January 2013	-	-	560,122	151,233
- 4 February 2013	-	-	75,378,519	20,352,200
- 23 May 2013	-	-	7,945,589	2,145,309
- 21 May 2014	608,938,956	182,681,687	-	-
- 6 June 2014	742,000	222,600	-	-
- Options/Rights exercised				
during the year	147,000	52,185	7,167,444	1,684,349
Share issue expenses	-	(2,359,424)	-	(31,750)
- At reporting date	807,845,616	226,295,680	198,017,660	45,698,632

Ordinary shares participate in dividends and the proceeds on winding up of the Parent Entity in proportion to the number of shares held. Ordinary shares have no par value.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.









NOTE 17: ISSUED CAPITAL (cont.)

Capital Management

When managing capital, the Board's objective is to ensure the entity continues as a going concern as well as to obtain optimal returns to shareholders and benefits for other stakeholders. The Board also aims to maintain a capital structure which assists to ensure the lowest possible cost of capital available to the Group.

Upon first drawdown of the senior secured loan facility, the Group will have the following capital restrictions imposed:

- » The Parent Entity may only issue shares where the net proceeds of such issuance are applied towards funding project costs; and
- **»** Pursuant to an issuance of shares for corporate activities of the Group limited to 25% of the market capitalisation of the Parent Entity in accordance with the rules of the Australian Stock Exchange and which does not require notification to or a resolution of, the shareholders of the Parent Entity.

b. Options and performance rights

For information relating to the Wolf Minerals Limited employee option plan and performance rights plan, including details of options and performance rights issued, exercised and lapsed during the financial year and the options and performance rights outstanding at year end, refer to Note 22 Share-based Payments.

For information relating to share options and performance rights issued to key management personnel during the financial year, refer to Note 22 Share-based Payments.

NOTE 18: RESERVES

Share based payments reserve

The share based payments reserve records items recognised as expenses on valuation of share options and performance rights.

	2014		2013	
	No.	\$	No.	\$
Balance 1 July	7,985,355	2,498,535	28,203,140	1,873,744
Issued during the year to key management personnel	147,000	52,185	-	-
Issued during the year to finance providers	-	-	5,706,925	624,791
Exercised during the year	(147,000)	(52,185)	(7,167,444)	-
Expired during the year	(850,000)	-	(18,757,266)	-
Balance 30 June	7,135,355	2,498,535	7,985,355	2,498,535

Foreign currency translation reserve

The foreign currency translation reserve records the effect of exchange differences on the translation of foreign currency financial statements of subsidiaries.

	2014 \$	2013 \$
Balance 1 July	871,707	(1,001,032)
Foreign currency differences during the year	4,009,733	1,872,739
Balance 30 June	4,881,440	871,707









Notes to the Financial Statements (cont.) ... year ended 30 June 2014

NOTE 19: COMMITMENTS

(a) Development commitments

In order to maintain current rights of tenure to tenements, the Group has the following development expenditure requirements up until expiry of the mining lease. These obligations, which are subject to renegotiation upon expiry of the mining lease, are not provided for in the financial report and are payable:

	2014	2013
	\$	\$
Not longer than one year	163,208	139,293
Longer than one year, but not longer than five years	735,024	627,321
	898,232	766,614

If the Group decides to relinquish the mining lease and/or does not meet these obligations, assets recognised in the statement of financial position may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

(b) Lease expenditure commitments

	2014	2013
	\$	\$
Not longer than one year	184,064	207,766
Longer than one year, but not longer than five years	-	207,766
	184,064	415,532

The Group has entered into the following leases on commercial terms for office accommodation:

Location	Term	Expiry
22 Railway Road Subiaco	4 years	19 June 2015
Plymouth Science Park, Plymouth	Monthly	30 September 2015

(c) Other contractual commitments

Construction Contract

In 2013 Wolf Minerals (UK) Limited awarded a £75 million Engineer Procure Construct ("EPC") contract for the Project to GRES.

The fixed price, fixed term EPC contract is for the design, construction and commissioning of a 3Mtpa tungsten and tin mineral processing plant plus associated infrastructure, forming the key component of the Project.

Capital expenditure contracted for but not yet provided for at 30 June 2014 in respect to the EPC contract is \$70,281,594 (~£38,795,316).

Mining Services Contract

In 2013 Wolf Minerals (UK) Limited awarded an £85 million Mining Services Contract ("MSC") for the Project to CA Blackwell (Contracts) Limited.

The MSC is rates-based and made up of two parts:

- » Phase 1, Mining pre-strip and Mine development,
- » Phase 2, Mine production.

The MSC term for phase one is 11 months from the commencement date, followed by phase 2 which has a five year term from completion of phase 1 work. The MSC is able to be terminated by Wolf at any time with 60 days' notice.









NOTE 20: SEGMENT REPORTING

The Consolidated Entity has identified its operating segments based on the internal reports that are reviewed and used by the chief operating decision maker to make decisions about resources to be allocated to the segments and assess their performance.

The financial information presented in the income statement and balance sheet is the same as that presented to the chief operating decision makers.

The Consolidated Entity predominately operates in the tungsten and tin industry of the mining and materials sector in the United Kingdom.

NOTE 21: CASH FLOW INFORMATION	2014	2013
	\$	\$
a. Reconciliation of cash flow from operations with profit after income tax		
Net loss	(3,731,574)	(4,711,260)
Other comprehensive income		
Sale of royalty	-	6,551,563
Non cash flows in profit		
Depreciation	50,999	14,775
Net gain on sale of investments	-	-
Equity compensation benefits	52,185	470,658
Foreign exchange differences	(2,659,322)	-
Finance costs	1,077,389	562,227
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in trade and term receivables	610,623	(697,635)
(Increase)/decrease in prepayments	(29,702)	8,630
Increase/(decrease) in trade payables and accruals	525,759	275,059
Increase/(decrease) in provisions	(40,806)	59,229
Cash flow from operations	(4,144,449)	2,533,246









Notes to the Financial Statements (cont.) ... year ended 30 June 2014

NOTE 22: SHARE BASED PAYMENTS

On 23 December 2014 the Company issued 147,000 rights to employees in accordance with the Wolf Minerals Performance Rights Plan. The rights vested on issue and had a zero strike price with a life of 3 years. The rights were valued at \$0.355 per right which was the underlying share price on the date of issue.

Included under equity compensation benefits expense in the statement of comprehensive income is \$52,185 (2013: \$470,658), and relates, in full, to equity-settled share-based payment transactions.

All options granted to key management personnel are for ordinary shares in Wolf Minerals Limited, which confer a right of one ordinary share for every option held.

	2014 2013			13
	Number of options/rights No.	Weighted average exercise price \$	Number of options/rights No.	Weighted average exercise price \$
Options issued to key management pe		· · · · · · · · · · · · · · · · · · ·		
Outstanding at the beginning of the year	1,700,000	0.35	5,738,826	0.51
Options exercised	-	-	(85,000)	0.24
Granted	-	-	-	-
Options expired	(850,000)	0.35	(3,953,826)	0.69
Outstanding at year end	850,000	0.34	1,700,000	0.35
Exercisable at year end	850,000	0.34	1,700,000	0.35
Issued to consultants				
Outstanding at the beginning of the year	-	-	525,000	0.23
Granted/(expired)	-	-	(525,000)	0.23
Outstanding at year end	-	-	-	-
Exercisable at year end	-	-	-	-
Issued to shareholders				
Outstanding at the beginning of the year	6,285,355	0.30	578,430	0.34
Granted	-	-	5,706,925	0.30
Outstanding at year end	6,285,355	0.30	6,285,355	0.30
Exercisable at year end	6,285,355	0.30	6,285,355	0.30
Rights issued to key management per	sonnel			
Outstanding at the beginning of the year	783,612	-	783,612	-
Rights exercised	(147,000)	-	-	-
Granted	147,000	-	-	-
Rights expired	(416,667)	-	-	-
Outstanding at year end	366,945	-	783,612	-
Exercisable at year end	-	-	-	-

When key management personnel cease employment the options or rights are deemed to have lapsed.

The weighted average contract life remaining at 30 June 2014 was:

» Options 3.14 years» Rights 7.08 years

The rights granted during the year have been valued at the price of Wolf Minerals Limited Ordinary Shares on the date of issue being \$0.355. There were no options granted during the year.









NOTE 22: SHARE BASED PAYMENTS (cont.)

The model inputs for options granted during 2013 are as follows:

Grant Date	Date of Expiry	Share Price at Grant Date	Exercise Price	Expected Volatility	Discount Factor	Risk-free Interest Rate	Fair Value at Grant Date
19/07/13	19/07/15	\$0.30	\$0.33	75.00%	20%	3.59%	\$0.14
19/07/13	19/07/15	\$0.30	\$0.39	75.00%	20%	3.66%	\$0.13
16/10/13	16/10/15	\$0.24	\$0.33	75.00%	20%	3.25%	\$0.10
16/10/13	16/10/15	\$0.24	\$0.39	75.00%	20%	3.25%	\$0.09
09/01/13	19/01/16	\$0.30	\$0.33	75.00%	20%	3.66%	\$0.14
09/01/13	19/01/16	\$0.30	\$0.39	75.00%	20%	3.66%	\$0.13
30/01/13	30/01/16	\$0.28	\$0.33	75.00%	20%	3.25%	\$0.13
30/01/13	30/01/16	\$0.28	\$0.39	75.00%	20%	3.25%	\$0.12
22/05/13	22/05/16	\$0.28	\$0.26	75.00%	20%	2.75%	\$0.15

As at 30 June 2014, the unissued ordinary shares of Wolf Minerals Limited under options or rights are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option	Number of Rights
26/11/09	26/11/14	\$0.34	850,000	-
04/11/11	01/12/18	\$0.00	-	366,945
10/04/12	01/04/15	\$0.33	478,012	-
10/04/12	01/04/15	\$0.39	100,418	-
19/07/13	19/07/15	\$0.33	524,086	-
19/07/13	19/07/15	\$0.39	223,882	-
16/10/12	16/10/15	\$0.33	529,845	-
16/10/12	16/10/15	\$0.39	226,342	-
09/01/13	19/01/16	\$0.33	529,845	-
09/01/13	19/01/16	\$0.39	226,342	-
30/01/13	30/01/16	\$0.33	172,776	-
30/01/13	30/01/16	\$0.39	73,807	-
22/05/13	22/05/16	\$0.26	3,200,000	-
			7,135,355	366,945

^{*} The weighted average exercise price is \$0.31 per share.

NOTE 23: RELATED PARTY DISCLOSURES

- i. Interests in controlled entities are disclosed in Note 10. The loan amount receivable from Wolf Minerals (UK) Limited for the financial year ended 30 June 2014 was \$205,522,323. Refer to Note 25 for further details of parent entity disclosures.
- ii. No amounts in addition to those disclosed in Note 5 to the financial statements were paid or payable to Directors of the Company at the end of the year.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.









Notes to the Financial Statements (cont.) ... year ended 30 June 2014

NOTE 24: FINANCIAL RISK MANAGEMENT

a. Financial Risk Management Policies

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable and loans to and from subsidiaries.

i. Treasury Risk Management

The Board meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board on a regular basis. These include the use of credit risk policies and future cash flow requirements.

ii. Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are foreign currency risk, liquidity risk, credit risk and price risk.

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currencies and is exposed to foreign currency risk through foreign exchange rate fluctuations, primarily with respect to the Great British Pound and US Dollar.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. These currencies are reasonably stable, and the risk is managed by maintaining bank accounts denominated in those currencies.

The Group does not currently hedge its exposure to foreign currencies other than holding certain amounts of each currency. The Group recognises the profits and losses resulting from currency fluctuations as and when they arise. At the end of 2013 the Group had exposure to foreign exchange risk from US dollar denominated borrowings of US\$ 6,709,608. At the end of 2014 the risk was fully mitigated as the loan was satisfied in full.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Financing arrangements

The borrowing facilities in place at the reporting date are disclosed in Note 16.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment securities.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Group.

Price risk

The Group is not exposed to commodity price risk until it commences production.









NOTE 24: FINANCIAL RISK MANAGEMENT (cont.)	2014 \$	2013 \$
The Group holds the following financial instruments:		
Financial assets:		
Cash and cash equivalents	102,819,455	18,668,143
Trade and other receivables	6,103,522	454,243
Other current assets	58,812	1,067,135
Other non-current assets	6,444,561	-
Total financial assets	115,426,350	20,189,521
Trade and other receivables are expected to be received as follows:		
Less than 1 month	6,103,522	454,243
Less than 6 months	-	-
Financial liabilities:		
Trade and sundry payables	25,600,767	13,117,610
Interest bearing liabilities	-	7,312,695
Total financial liabilities	25,600,767	20,430,305
Trade and sundry payables are expected to be paid as follows:		
Less than 1 month	25,600,767	13,117,610
Less than 6 months	-	-
Interest bearing liabilities are expected to be paid as follows:		
Less than 1 month	-	-
Less than 12 months	-	7,312,695

iii. Net fair values

No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments, forward exchange contracts and interest rate swaps.

Fair values are materially in line with carrying values.

iv. Sensitivity analysis

Interest Rate Risk and Foreign Currency Risk

The group has performed sensitivity analysis relating to its exposure to interest rate risk and foreign currency risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Risk Exposure Analysis

	Weighted Average Effective Interest Rate (%)		Floating In	Floating Interest Rate		Non Interest Bearing	
	2014	2013	2014	2013	2014	2013	
FINANCIAL ASSETS							
Cash at bank and on hand	0.54	1.3	102,819,455	18,668,143	-	-	
Receivables	-	-	-	-	6,103,522	454,243	
Other current assets	-	-	-	-	58,812	1,067,135	
Other non-current assets	-	-	-	-	6,444,561	-	
Total financial assets	-	_	102,819,455	18,668,413	12,606,895	1,521,378	
FINANCIAL LIABILITIES	_						
Payables	-	-	-	-	25,600,767	13,117,610	
Interest bearing liabilities	-	-	-	-	-	-	
Total financial liabilities	-	-	-	_	25,600,767	13,117,610	









Notes to the Financial Statements (cont.) ... year ended 30 June 2014

NOTE 24: FINANCIAL RISK MANAGEMENT (cont.)

Interest Rate Sensitivity Analysis

At 30 June 2014, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2014 \$	2013 \$
Change in profit		
Increase in interest rate by 1% (100 basis points)	254,471	72,772
Decrease in interest rate by 1% (100 basis points)	(137,825)	(72,772)
Change in equity		
Increase in interest rate by 1% (100 basis points)	254,471	72,772
Decrease in interest rate by 1% (100 basis points)	(137,825)	(72,772)

Due to the effective interest rate on cash being 0.54% the analysis on a decrease of 100 basis points has been calculated back to 0%.

Foreign Currency Risk Sensitivity Analysis

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. These currencies are reasonably stable, and the risk is managed by maintaining bank accounts denominated in those currencies.

The Group does not currently hedge its exposure to foreign currencies other than holding certain amounts of each currency. The Group recognises the profits and losses resulting from currency fluctuations as and when they arise. The Group considers itself to only have exposure to USD in the future as all other currencies are covered by current cash balances or future borrowings.

	2014	2013
	\$	\$
Change in profit		
Improvement in AUD by 10%	(273,280)	(773,226)
Decline in AUD by 10%	273,280	945,054
Change in equity		
Improvement in AUD by 10%	(273,280)	(773,226)
Decline in AUD by 10%	273,280	945,054

The above interest rate and foreign exchange rate risk sensitivity analysis has been performed on the assumption that all other variables remain unchanged.









NOTE 25: PARENT ENTITY DISCLOSURES	2014	2013
	\$	\$
Financial position		
Assets		
Current assets	20,000,274	2,648,545
Non-current assets	205,544,187	38,256,628
Total assets	225,544,461	40,905,173
Liabilities		
Current liabilities	1,116,842	815,837
Non-current liabilities	-	-
Total liabilities	1,116,842	815,837
Net assets	224,427,619	40,089,336
Equity		
Issued capital	226,295,680	45,698,632
Equity settled benefits	1,576,936	2,316,981
Accumulated losses	(3,444,997)	(7,936,277)
Total equity	224,427,619	40,089,336
	2014	2013
	\$	\$
Financial performance		
Loss for the year	-	-
Other comprehensive loss	-	-
Total comprehensive loss	-	-

The Parent Entity has no contingent liabilities or guarantees outstanding at 30 June 2014 other than a \$57,455 rental guarantee.

NOTE 26: DIVIDENDS

The Board of Directors have recommended that no dividend be paid. No dividends were paid during the year.

NOTE 27: CONTINGENT ASSETS AND LIABILITIES

As at reporting date the Group had no contingent assets or liabilities other than a rental guarantee of \$57,455.

NOTE 28: EVENTS AFTER THE BALANCE SHEET DATE

No matter or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect the consolidated group's operations, the results of those operations, or the consolidated group's state of affairs in future financial years.

NOTE 29: COMPANY DETAILS

The registered office and principal place of business address is:

Level 3, 22 Railway Road, SUBIACO WA 6008









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Additional Information for Listed Public Companies

The following additional information is required by the Australian Securities Exchange Ltd in respect of listed public companies only.

SHAREHOLDINGS

a. Distribution of Shareholders

Category (size of holding)	Distribution of holders
1 – 1,000	64
1,001 – 5,000	225
5,001 – 10,000	167
10,001 – 100,000	391
100,001 – and over	98
	945

There are no shareholdings held in less than marketable parcels.

b. The names of the substantial shareholders listed in the holding company's register as at 14 August 2014 are:

Shareholder	Number of Ordinary Shares
Resource Capital Fund V LP	336,342,839
TTI (NZ) Limited	260,517,718
Computershare Clearing	99,807,551
Traxys Projects LP	55,506,776

Note: Computershare Clearing is the nominee account for the depositary interests that are traded on the Alternative Investment Market of the London Stock Exchange.

c. Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a
meeting or by proxy has one vote on a show of hands.









Additional Information for Listed Public Companies (cont.)

d. 20 Largest Shareholders - Ordinary Shares

No.	Name	Number of Ordinary Fully Paid Shares Held	Percentage of Ordinary Fully Paid Shares Held
1.	Resource Cap Fund V LP	336,342,839	41.63%
2.	TTI (NZ) Limited	260,517,718	32.25%
3.	Computershare Clearing	99,807,551	12.35%
4.	Traxys Projects LP	55,506,776	6.87%
5.	Kevin Barry Building Services <s a="" c="" f=""></s>	4,822,754	0.60%
6.	JP Morgan Nom Aust Ltd	3,465,943	0.43%
7.	Citicorp Nom PL	2,793,749	0.35%
8.	ABN Amro Clearing <custody a="" c=""></custody>	2,365,003	0.29%
9.	Russell Ralph & Hynes A M <russell &="" a="" c="" f="" hynes="" s=""></russell>	1,287,731	0.16%
10.	Kevin Barry Building Services <barry a="" c="" f="" fam="" s=""></barry>	1,272,000	0.16%
11.	Spar Nom PL	1,155,000	0.14%
12.	Read-Smith MJ + GM	1,054,453	0.13%
13.	Humphrey Hale	953,000	0.12%
14.	Aust Forestry Inv PL <barry a="" c="" fam=""></barry>	947,833	0.12%
15.	Sharon Lewis	945,000	0.12%
16.	UBS Nom PL	843,527	0.10%
17.	Novacarta PL	797,900	0.10%
18.	Humboldt Cap Corp	740,000	0.09%
19.	Fleurbow PL	537,602	0.07%
20.	Desmond Brown < Desron S/F A/C>	513,334	0.06%
		776,669,713	96.14%

1. The name of the company secretary is Richard Lucas.

2. The address of the principal registered office in Australia is:

Level 3, 22 Railway Road, SUBIACO WA 6008 Telephone +61 (08) 6364 3776

3. Registers of securities are held at the following address in Western Australia is:

Security Transfer Registrars Pty Ltd 770 Canning Hwy, Applecross WA 6153

4. Stock Exchange Listings

Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Securities Exchange Limited and the Alternative Investment Market of the London Stock Exchange Limited.

5. Unquoted Securities

Ordinary Shares

- Nil.

Options over Unissued Shares

A total of 7,135,355 unquoted options are on issue.
 Of these 850,000 are on issue to an employee and 6,285,355 are issued to a shareholder.









Corporate Governance for Listed Public Companies

Wolf Minerals Limited and its controlled entities ("the Consolidated Entity") are committed to high standards of corporate governance. Policies and procedures which follow the 2nd Edition "Principles of Good Corporate Governance and Best Practice Recommendations" issued by the Australian Security Exchange ("ASX") Corporate Governance Council, to the extent they are applicable to the Consolidated Entity, have been adopted.

The Company will report against the 3rd Edition of the ASX's Corporate Governance Principles in its 2015 Annual Report.

ciple 1 : Lay solid foundations for management and oversight	Com
Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.	Ye
The role of the Board is formally set out in the Board Charter. This charter summarizes the role and responsibility of the Board of the Company. The disclosure of the role and responsibility of the Board is designed to assist those affected by corporate decisions to better understand the respective accountabilities and contributions of the Board and management of the Company.	
The roles and responsibilities of the Board will continue to evolve as the Company moves forward. As such, a regular review of the balance of responsibilities will ensure that the division of the functions remains appropriate to the needs of the Company.	
The Board's primary responsibility is to oversee the Company's business activities and management for the benefit of the Company's shareholders.	
The Board also recognises its responsibilities to the Company's employees, the environments and communities in which the Company operates and where appropriate, other stakeholders. The Board strives to create shareholder value and ensure that shareholders' funds are prudently safeguarded.	
The key responsibilities of the Board include:	
 Appointing, evaluating, rewarding and if necessary, the removal of the Managing Director and senior management; 	
• Development of corporate objectives and strategy with management and approving plans, new investments, major capital and operating expenditures and major funding activities proposed by management;	
 Monitoring actual performance against defined performance expectations and reviewing operating information to understand at all times the state of the health of the Company; 	
 Overseeing the management of business risks, safety and occupational health, environmental issues and community development; 	
• Satisfying itself that the financial statements fairly and accurately set out the financial position and financial performance of the Company for the period under review;	
• Satisfying itself that there are appropriate reporting systems and controls in place to assure the board that proper operational, financial, compliance, risk management and internal control process are in place and functioning appropriately. Further, approving and monitoring financial and other reporting;	
• Assuring itself that appropriate audit arrangements are in place, when considered appropriate by the Board;	
• Ensuring that the Company acts legally and responsibly on all matters and assuring itself that the Company has adopted, and that it's practice is consistent with, a number of guidelines, being:	
 Directors and Executive Officers Code of Conduct; 	
- Dealings in Company Securities; and - Dealings in Company Securities; and - Dealings in Company Securities; and	
Reporting and Dealing with Unethical Practices;	
Reporting to and advising shareholders.	
Companies should disclose the process for evaluating the performance of senior executives.	Y









Pri	nciple 2 : Structure the Board to add value	Comply
2.1	A majority of the Board should be independent directors.	Yes
	The Consolidated Entity has complied with this recommendation. The following Directors are not considered to be independent:	
	Russell Clark – Executive Managing Director	
	Chris Corbett – Non Executive Director	
	Michael Wolley - Non Executive Director	
	The independent directors are:	
	John Hopkins – Non Executive Chairman	
	Ronnie Beevor - Non Executive Director	
	Nick Clarke – Non Executive Director	
	Don Newport - Non Executive Director	
	The skills, experience and expertise relevant to the position of Director held by each Director in office at the date of the annual report are detailed in the Directors' Report.	
	The Board collectively and each Director has the right to seek independent professional advice at the Consolidated Entity's expense, up to specified limits, to assist them to carry out their responsibilities.	
	Directors are appointed based on the specific expertise and governance skills required by the Consolidated Entity. Given the size of the Consolidated Entity and the business it operates, the Board aims to achieve a relevant blend of direct experience appropriate to the Consolidated Entity's target market, personal experience in accounting and financial management and Director-level business experience.	
2.2	The chair should be an independent director.	Yes
	The Consolidated Entity complies with this recommendation. Mr John Hopkins, an independent director, is the Chair.	
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	Yes
	The Consolidated Entity complies with this recommendation. Mr Russell Clark is the Managing Director.	
2.4	The Board should establish a nomination committee.	No
	The Consolidated Entity does not have a nomination committee. The Board believes that due to the Group's relatively small size, a nomination committee is not necessary as the Board can undertake all functions normally delegated to a nomination committee. The Corporate Governance Board Charter contains procedures for the appointment and resignation of Directors.	
2.5	Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors.	Yes
	The Corporate Governance Board Charter contains the details of the procedures for the performance reviews and evaluation.	
	It is the policy of the Board to conduct a regular evaluation of its own performance, the committees' performances and the Directors' performances against appropriate measures.	
	A comprehensive Board and Director performance review was undertaken in the first half of 2014.	









Pri	nciple 3 : Promote ethical and responsible decision-making	Comply
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code.	Yes
	A formal Directors and Executive Officers' code of conduct forms part of the Corporate Governance Charter. The code of conduct addresses the maintenance of the confidence in the Consolidated Entity's integrity, legal obligations and expectations of shareholders, responsibility and accountability of individuals for reporting and investigating reports of unethical behaviour.	
	A copy of the code of conduct is located on the Company's website.	
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them.	Yes
	The Consolidated Entity recognises and respects the value of diversity at all levels of the organisation. The Consolidated Entity is committed to setting measurable objectives for attracting and engaging women at the Board level, in senior management and across the whole organisation.	
	The Company has established a Diversity Policy and a copy is located on its website.	
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.	No
	The Consolidated Entity's objective is to promote a culture which embraces diversity through ongoing education, succession planning, director and employee selection and recognising skills are not gender specific.	
	The Company will consider diversity targets as part of its process in moving towards becoming a producing entity in 2015.	
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.	Yes
	As at the date of this report, the Consolidated Entity has the following proportion of women appointed:	
	• To the Board – 0%	
	• To senior executive – 0%	
	• To the organisation as a whole – 31%	









Pri	nciple 4 : Safeguard integrity in financial reporting	Comply
4.1	The Board should establish an audit committee.	Yes
	The Consolidated Entity has established an audit committee, known as the Audit, Risk and Compliance Committee.	
4.2	 The audit committee should be structured so that it: Consists only of non-executive directors Consists of a majority of independent directors Is chaired by an independent chair, who is not chair of the Board Has at least three members 	Yes
	The Consolidated Entity complies with this recommendation. Wolf's Audit, Risk and Compliance Committee is comprised of three independent non-executive Directors as follows: • Ronnie Beevor – Non Executive Director (Chair) (appointed 20 September 2013) • Don Newport – Non Executive Director • John Hopkins – Non Executive Director	
4.3	The audit committee should have a formal charter.	Yes
	The Consolidated Entity has a formal charter for the Audit, Risk and Compliance Committee. The Audit, Risk and Compliance Committee is responsible for reviewing the integrity of the Consolidated Entity's financial reporting and overseeing the independence of the external auditors. The Audit, Risk and Compliance Committee reviews the audited annual and half-year financial statements and any reports which accompany published financial statements and recommends their approval to the members.	
	The Audit, Risk and Compliance Committee is also responsible for establishing policies on risk oversight and management.	
	A copy of the Company's Audit, Risk and Compliance Committee's Charter is located on its website.	

Principle 5 : Make timely and balanced disclosure		
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Yes
	The Board has adopted a Disclosure Policy, which sets out the key obligation of the Managing Director and Company Secretary to ensure that the Consolidated Entity complies with its disclosure obligations under the ASX Listing Rules and The Corporations Act 2001 (Cth).	









Pri	Principle 6 : Respect the rights of shareholders	
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Yes
	The Board has adopted a Communication Strategy. The directors of the Company recognise the importance of forthright communication. The Consolidated Entity posts all its reports, ASX announcements, media releases, investor presentation and Group information on the Group's website.	

Principle 7 : Recognize and manage risk		Comply
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Yes
	The Board has adopted a Risk Management and Internal Control Policy. Procedures have been established at the Board and executive management levels which are designed to safeguard the assets and interests of the Consolidated Entity, and to ensure the integrity of reporting.	
7.2	The Board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Yes
	The Board is responsible for identifying the risks facing the Company, assessing the risks and ensuring that there are controls for these risks, which are to be designed to ensure that any identified risk is reduced to an acceptable level. Management is required to report on material business risks at each Board meeting.	
7.3	The Board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Yes
	The Managing Director and Chief Financial Officer have provided the written statements required by 7.3.	









Principle 8 : Remunerate fairly and responsibly				Compl
8.1	The Board should establish a remuneration committee.			Yes
	The Consolidated Entity has established a Remuneration Committee. The Remuneration Committee has a formal charter, a copy of which is located on the Company's website.			
8.2	 The remuneration committee should be structured so that it: Consists of a majority of independent directors Is chaired by an independent chair Has at least three members 			Yes
	The Consolidated Entity has complied with this recommendation. It is comprised solely of non-executive directors with three of the five members, including the Committee Chairman being independent. The table below details the Committee structure. Remuneration Committee Non Executive Director Independent Director			
		Non Executive Director ✓	independent birector	
	Ronnie Beevor (Chair) Nick Clarke	V	V	
	Chris Corbett	√	X	
	Don Newport	√	~	
	Michael Wolley	√	X	
	The Committee considers that the interests of the Group are best served by appointing directors with the relevant skills and expertise to enhance the Group's performance. The Committee believes each director brings independent objective judgment to the deliberations of the Committee.			Yes
8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.			
	The Remuneration Report, contained in the Directors' Report sets out the remuneration of non-executive directors, the executive director and senior executives.			











































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