



24 November 2016

## **Approval received for planning permission extension and 7 day operations at Drakelands Mine**

Specialty metals producer, Wolf Minerals Limited (ASX: WLF, AIM: WLFE) (**Wolf** or the **Company**) is pleased to announce that Devon County Council (**DCC**) has approved the extension of the planning permission at Wolf's Drakelands open pit mine (**Drakelands**) to 2036 and approved permanent 24 hour operations seven days a week at the processing plant.

### **Highlights**

- **Planning permission for Drakelands mine extended from 2021 to 2036.**
- **Processing plant now permitted to operate 24/7, providing potential to lift tungsten and tin production by 20%.**
- **Debt restructure effective, tenor of the Senior Debt extended until June 2023.**

Wolf Managing Director, Russell Clark, commented:

*"The Drakelands mine was developed with the understanding that the planning permission, originally granted in 1986, required extension to enable the ore reserve to be fully mined. The Devon Minerals Plan recognises the importance of this tungsten deposit and its value to the United Kingdom and the broader western world as a secure supply of this specialty metal. DCC's approval of the extension of the planning permission is consistent with this Minerals Plan.*

*The extension of the planning permission will ensure that Wolf's ore reserve can be mined in full, the 200 jobs we have created will be secure for longer, and Wolf's significant contribution to the Devon economy will be extended.*

*The additional approval of permanent 24 hour operations for seven days a week at the Drakelands processing plant will enable the Company to produce more tungsten and tin more efficiently, with around 20% more production at reduced unit costs.*

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*The extension of the planning permission has also enacted the debt restructure recently agreed with our lenders. Wolf now has an extended tenor on its Senior Debt, through to June 2023.*

*These approvals provide our investors, lenders, suppliers, customers and employees with the confidence to continue the ramp up of this very important project. We also value the contribution of our local communities and we will continue to work with them to make this a successful project for all our stakeholders.”*

### **Planning permission extension**

Planning permission for the mining and processing of tungsten and tin at the Drakelands mine was originally granted by DCC to Amax Exploration and Hemerdon Mining & Smelting (UK) Ltd in June 1986, for a period of 35 years, expiring in 2021.

Wolf acquired the approved Drakelands mine in 2007 and engaged with DCC in a review of the planning conditions with the objective of ensuring that the operations met modern environmental standards. As a result of this review, a scheme of new and modified conditions was prepared, and this was approved by the Secretary of State through a Modification Order in January 2011.

Wolf commenced mining of tungsten and tin at Drakelands in 2015 under the existing planning permission. To enable mining of the whole ore reserve, Wolf applied for an extension of the 2021 time limit in 2015. After extensive consultation with the community, relevant agencies and the Company, DCC has granted the extension of the Drakelands planning permission to 2036.

### **Approval of 24/7 operations**

The planning permission was originally granted in 1986 and the conditions allowed the operation of the primary crusher for only 5.5 days per week and restricted working on public holidays.

The primary crusher now installed at the processing plant is a roll crusher, a much quieter machine than the jaw crusher that was contemplated when the original permission was granted. Consequently Wolf requested the removal of the condition restricting the operating hours of the primary crusher, as the continuous use of the crusher and processing plant has significant efficiency and economic benefits.

DCC has allowed Wolf to trial extended operating hours since processing plant operations commenced to provide data on actual noise levels incurred by operating the primary crusher in conjunction with the rest of the processing plant.

Following the trial, and as part of the approval of the extension of the planning permission, DCC has now approved the continuous operation of the primary crusher (and hence the processing plant as a whole). As a result of the approval for continuous operations, the Company estimates that production levels of tin and tungsten can be increased by approximately 20% at reduced unit costs.

### **Debt restructure**

The Company currently has secured debt facilities with the Senior Lenders (**Senior Debt**) and a secured bridge loan facility with Resource Capital Fund VI L.P. (**RCF VI**) (the **Bridge Facility**).

The Senior Lenders and RCF VI previously agreed a standstill of certain Senior Debt and Bridge Facility conditions until the extension of the Drakelands planning permission for an expiry date beyond 2021 was approved by DCC. DCC's approval of the extension now results in the conclusion of the standstill.

DCC's approval of the planning permission extension also satisfies the condition precedent to the extension of the tenor of the Senior Debt. Therefore all Senior Debt principal repayments are deferred until January 2018 and the tenor of the Senior Debt is extended until June 2023.

### **ENDS**

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### **About Wolf Minerals**

*Wolf Minerals is a dual listed ("ASX: WLF", "AIM: WLFE") specialty metals company. With global demand for tungsten rising and future global production expected to be constrained, Wolf Minerals has recently completed the development of a large tungsten resource at its Drakelands Mine, located at Hemerdon, in southwest England.*