



31 August 2017

Wolf Receives Additional £5 Million As Tungsten Market Improves

Specialty metals producer, Wolf Minerals (ASX: WLF, AIM: WLFE) (**Wolf** or the **Company**) is pleased to provide an update on the Company's financing arrangements to support its short term working capital, whilst additional funding requirements for long term self-sustainable operations at the Drakelands open pit mine (**Drakelands**) are being reviewed.

Highlights

- Existing Bridge Facility increased from £40 million to £45 million.
- Operating turnaround plan on schedule.
- Price of tungsten increasing, currently US\$269 per mtu.
- Funds will be used to support operation of the Drakelands mine as Wolf works towards commercial production and design performance.

The Company is pleased to announce that it has received confirmation from Resource Capital Fund VI L.P. (**RCF VI**) that the release of the further £5 million, which represents the remaining uncommitted amount of the existing bridge facility in place with RCF VI (as announced on 28 June 2017) (the **Bridge Facility**) has been approved on the same terms as previously announced.

The funds advanced under the Bridge Facility to date have been utilised to progress the operating turnaround plan which is currently on schedule, including:

- Primary DMS Phase 1 modifications completed in August, with Phase 2 implementation planned for 9 September. Initial results are encouraging with availability above target and recoveries starting to improve.
- Refinery Phase 1 modifications were completed last week and are currently being commissioned. Initial performance indicators are on plan and Wolf expects an increase in throughput and availability as a result. Phase 2 refinery changes are on schedule for mid-October.
- Gravity fines modifications are underway, with initial changes taking place last week. The remainder of the works will take place over the next 8 weeks to minimise the impact on production, with commissioning into early November.

These modifications along with improved operating discipline across the business are expected to provide the necessary foundation for sustainable performance into next year.

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In addition to the improvements in operating performance, Wolf has also seen an improving trend in the price of tungsten, with a 44% increase since December 2016 from US\$187 per mtu to US\$269 per mtu in August 2017. The strong price growth has been particularly evident recently with a monthly increase of US\$30 per mtu in both July and August.

The combination of a rising tungsten market, improvements from the operating turnaround plan and additional proceeds from the Bridge Facility has provided an opportunity for the Company to reassess its funding requirements to become a long-term self-sustaining business.

Wolf Interim Managing Director, Richard Lucas, commented:

“The operating turnaround plan is progressing to schedule with the initial results of recent changes reinforcing the plan’s objectives. In addition, the significant increase in the price of tungsten in recent months reflects the anticipated improvement in the market following a prolonged downturn. These are encouraging signs, which support our long term business objectives and provide a stronger platform for discussions on Wolf’s future funding needs.”

Bridge Facility

The funding is being provided on the same terms as the Bridge Facility announced on 28 June 2017, including that it will be fully secured.

The Company anticipates receiving the drawdown of £5 million under the Bridge Facility during September 2017.

As previously announced, if certain conditions precedent are satisfied (including shareholder approval), the Bridge Facility will mandatorily switch to a subordinated convertible loan in October 2017, or a subordinated loan if those conditions are not satisfied. As soon as reasonably practicable, the Company will seek shareholder approval to enable the issue of the convertible note and subsequent conversion into ordinary shares in accordance with the convertible loan terms under the Bridge Facility. The convertible loan is also conditional upon, amongst other things, RCF VI obtaining FIRB approval.

ENDS

About Wolf Minerals

Wolf Minerals is a dual listed (“ASX: WLF”, “AIM: WLFE”) specialty metals company. Wolf Minerals has recently completed the development of a large tungsten resource at its Drakelands Mine, located at Hemerdon, in southwest England.