



27 October 2017

## Wolf Receives Additional £10 Million Funding

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 short term working capital as it progresses towards long term self-sustaining operations at the Drakelands open pit mine (**Drakelands**).

### Highlights

- **Existing Bridge Facility increased from £45 million to £55 million.**
- **Operating turnaround plan is delivering improved plant performance.**
- **Tungsten price increases to US\$280 per mtu.**

The Company is pleased to announce that it has reached agreement with Resource Capital Fund VI L.P. (**RCF VI**) to amend the existing bridge facility in place with RCF VI (as announced on 24 October 2016 and 28 June 2017) (the **Bridge Facility**) pursuant to which RCF VI has agreed to provide the Company with an additional £10 million.

The funds advanced under the Bridge Facility to date have been used to progress the operating turnaround plan, including improved performance in:

- the Primary DMS circuit, with all phases now complete.
- the refinery, with first phase delivering an increase in throughput and availability. The final phase is scheduled for November.
- the gravity fines circuit to improve recoveries and the grade of pre-concentrate presented to the refinery, scheduled for November.
- maintenance activities, including implementation of a new system with associated process and work flow improvements.

The operating turnaround plan remains on schedule as the Company builds towards commercial production and design performance.

In addition to the ongoing improvements in operating performance, the price of tungsten has continued to increase from US\$269 in August 2017 to US\$280 per mtu in October 2017. The tungsten market remains in tight supply of raw material whilst demand for finished goods is improving, indicating continued price support at these levels.

The Company will continue to review its long term capital requirements as the operating turnaround plan progresses and further value adding opportunities and cost reduction initiatives are investigated.

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#### Wolf Minerals Limited

Level 3, 22 Railway Road, Subiaco WA 6008  
Ph: +61 (0) 8 6143 2070  
ABN: 11 121 831 472  
[www.wolfminerals.com.au](http://www.wolfminerals.com.au)

Richard Lucas  
Interim Managing Director  
Ph: +61 (0) 8 6143 2070  
E: [managingdirector@wolfminerals.com.au](mailto:managingdirector@wolfminerals.com.au)

#### Media and Investor Relations

Australia  
James Moses, Mandate Corporate  
Ph: +61 (0) 420 991 574  
E: [james@mandatecorporate.com.au](mailto:james@mandatecorporate.com.au)

UK  
Adam Lloyd, Newgate  
Ph: +44 (0) 20 7653 9850  
E: [Adam.Lloyd@newgatecomms.com](mailto:Adam.Lloyd@newgatecomms.com)

Wolf Interim Managing Director, Richard Lucas, commented:

*“The operating turnaround plan is delivering improved processing plant performance and is also building knowledge and experience across the business. When combined with improving tungsten market conditions, this provides an exciting outlook for 2018. The Company acknowledges RCF VI’s continued support, which is testament to their confidence in Drakelands and the future success of Wolf.”*

### **Bridge Facility**

The additional funding is being provided on the same terms as the Bridge Facility announced on 24 October 2016 and 28 June 2017 (other than as described below), including that it will be fully secured.

The Company anticipates receiving the drawdown of £10 million under the Bridge Facility following completion of certain conditions precedent by the end of October.

Pursuant to its terms, the Bridge Facility mandatorily switched to a subordinated loan on 21 October 2017 and the new funds shall therefore be provided in the form of an additional subordinated loan. If certain conditions precedent are satisfied (including shareholder approval), RCF VI can elect that the subordinated loans switch to subordinated convertible notes. As soon as reasonably practicable, the Company will seek shareholder approval to enable the issue of the convertible notes and subsequent conversion into ordinary shares in accordance with the convertible note terms under the Bridge Facility. The convertible notes are also conditional upon, amongst other things, RCF VI obtaining FIRB approval.

As part of the amendment to the Bridge Facility amount, the minimum conversion price of the additional £10 million will be the lesser of A\$0.055 per share and the price of any subsequent equity issued as part of any broader recapitalisation transaction. The minimum conversion price of the current £45 million Bridge Facility amount has now been set at the lesser of A\$0.09 per share and the price of any subsequent equity issued as part of any broader recapitalisation transaction.

All other terms of the Bridge Facility, the subordinated loans and the potential subordinated convertible notes are as described in the Company’s announcements of 24 October 2016 and 28 June 2017.

### **Related Party Transaction**

RCF VI is deemed to be a Related Party as defined in the AIM Rules as it is considered to be an associate of Resource Capital Fund V L.P. (**RCF V**) and RCF V Annex Fund (**Annex Fund**). RCF V, Annex Fund and RCF VI currently hold in aggregate 609,704,057 shares, which equates to a relevant interest of approximately 56.1%<sup>1</sup>. As a result, entering into the amended Bridge Facility is deemed to be a related party transaction under the AIM Rules.

The Company’s Board of Directors (excluding Mr Chris Corbett, who is an employee of an entity which is an associate of RCF VI and RCF V) consider, having consulted with the Company’s nominated adviser, that the terms of the transaction are fair and reasonable insofar as its shareholders are concerned.

**ENDS**

### **About Wolf Minerals**

*Wolf Minerals is a dual listed (ASX: WLF, AIM: WLFE) specialty metals producer. In 2015, Wolf Minerals completed the development of a large tungsten resource at its Drakelands Mine, located at Hemerdon, in southwest England.*

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<sup>1</sup> Total Fully Paid Outstanding Shares 1,087,645,948 per Appendix 3B, 30 June 2017