30 January 2018

Quarterly Activities Report

For the Three Months Ended 31 December 2017

Specialty metals producer, Wolf Minerals Limited (ASX: WLF, AIM: WLFE) (**Wolf** or the **Company**) provides the following update on progress at its Drakelands open pit mine (**Drakelands**) at the Company's Hemerdon tungsten and tin project in Devon, southwest England, for the three month period to 31 December 2017 (the **Quarter**).

Highlights

- ✓ Tungsten concentrate production and sales up 22% and 36% respectively on the previous quarter.
- ✓ Operating turnaround plan activities largely complete and being incorporated into operating practices.
- ✓ Tungsten price improves further, currently US$315 per mtu.
- ✓ Discussions in progress regarding the required further funding support to reach steady state operating cash flows.

Commenting on the Company's recent performance, Wolf's interim Managing Director, Richard Lucas said:

"Another strong result for the third consecutive Quarter as the improvements from the operating turnaround plan are being realised, reflected by a further 22% increase in production and 36% increase in sales. The processing plant performance is benefitting from a more stable operating environment, allowing optimisation efforts to start building upon each other. We expect this to continue with further enhancements to our mine plan, the improvements from the gravity fines circuit and the return to 7 days operations.

Progress has also been made on a resolution to low frequency noise emissions, with input from a team of global experts on noise and acoustic treatments providing a way forward to a positive outcome for our local communities.

The tungsten price has also continued from strength to strength as it again surged above US$300 per mtu both in Europe and China, with tight supply expected to continue supporting prices in 2018.

In this encouraging business environment, the Company continues to receive support from key project stakeholders as it heads towards self-sustaining operations, with negotiations in progress on the further funding required to ensure completion of the successful efforts to date."

Overview

There were three lost time injuries during the Quarter (compared to two in the previous quarter). The Company's continuing investment in behavioural based safety is being integrated into the business, with further opportunities for improvement identified and under development.

The net cash used in operating activities for the Quarter was A$8.5 million, including A$3.6 million on development, A$16.3 million on production and A$3.9 million on finance costs, with revenue of A$15.8 million. As stated in the quarterly cash flow report (Appendix 5B), also released today, the Company had A$6.6 million cash at the end of the Quarter, with further funding discussions in progress to support revenue, on a forecast gross cash outflow of A$27 million for the coming quarter. Please refer below for further details on funding arrangements.

Mining Activities

During the Quarter, mining activities remained focused upon ore feed blending for the processing plant and the commencement of Stage 3.1 construction of the Mining Waste Facility (**MWF**).

A total of 597,137 bank cubic metres of material was moved during the Quarter, with the ore grade averaging 0.20% WO_3 and 0.04% Sn. The improvement in the processing plant performance has provided valuable information for mine planning on the blending strategy for optimal ore feed quality. A stable operating platform will continue to enhance this process, especially as the gravity fines circuit contribution further improves pre-concentrate recovery.

In addition, following encouraging test work during the Quarter, the Company has initiated a pre-processing trial on lower quality ore feed to identify potential improvements in processing efficiency and project cashflows. The trial is expected to commence pre-processing in February and will run for the next two quarters on a range of ore feed quality and mineralised waste.

Processing Plant

The key production results for the four quarters of calendar 2017 are shown in the following table:

Key Production Results	Dec Qtr 2017	Sep Qtr 2017	Jun Qtr 2017	Mar Qtr 2017
Throughput tonnes	**485,788**	**474,170**	**490,297**	**459,732**
Change	Note 1 +2% Note 2 +3%	Note 1 -3% Note 2 +29%	+7%	
Production tungsten mtu	**43,498**	**35,601**	**30,996**	**26,903**
Change	+22%	+15%	+15%	
Production tin tonnes	**124**	**49**	**41**	**41**
Change	+253%	+19%	0%	

Note 1: Based on tonnage reported.

Note 2: Adjusted for 5-days a week operation rather than 7-days a week as in March and June Quarters.

During the Quarter, both production and sales improved significantly for the third consecutive quarter, up 22% and 36% respectively on the previous quarter, providing an increase in revenue and taking advantage of higher tungsten prices.

The throughput tonnes demonstrated an incremental improvement on the September quarter, after adjusting for the reduced weekend operations, however significant gains were constrained by commissioning the improvements in the gravity fines circuit under the operating turnaround plan.

The dense media separation (**DMS**) circuit continued to provide improvements in tungsten pre-concentrate recovery, with further optimisation activities being driven by higher circuit run time and new performance data analytics. The improvements in the gravity fines circuit are expected to provide a further lift to pre-concentrate recovery towards target levels, once stable operating parameters are achieved.

In the refinery, further improvement in reliability and run time provided a 48% increase in kiln throughput for the Quarter, with a total of 744 tonnes in November alone providing significant growth in tungsten concentrate production. The increased kiln throughput has fully consumed the previous bagged pre-concentrate inventories on weekends and has additional capacity to accommodate further increases in front end throughput and pre-concentrate volumes. The refinery performance is also expected to benefit from improved pre-concentrate quality as DMS and gravity fines circuit recovery grades increase, along with higher concentrate grade from improved kiln reducing conditions and air classification of kiln product prior to magnetic separation.

The major activities within the operating turnaround plan were largely completed by the end of the Quarter, with only two more outstanding items in the refinery and gravity fines to be achieved. These remaining activities will be scheduled over the coming months as the operating turnaround plan has been incorporated into daily activities and the focus moves to optimisation and performance improvement in a more stable environment.

Sustainability

At the end of December the site recorded 28 injury free days following three lost time injuries during the Quarter (compared to two in the previous quarter). Following the behaviour based safety training program, a follow up exercise was undertaken on the application of the skills learned in the training and to provide one-to-one coaching for supervisors and safety representatives.

In addition, another awareness initiative was implemented to encourage a preventative, injury free safety culture through greater hazard observation, supported by field level risk assessments and authority to work procedures. This initiative was very well supported, providing a number of opportunities to improve safety performance.

One Category A environmental incident occurred during the Quarter. This related to a planned flow shutoff in a constructed compensation channel so as to control a discharge of potentially impacted surface water. The flow shutoff had a limited impact on the local fish population and the subsequent investigation recommended a change in the flocculent dosing procedure to ensure that flow could be maintained in the future. The incident was reported to the Environment Agency (**EA**) and no further action is required by the Company.

During the Quarter, the Company continued its temporary weekend modified operations in which the vibrating screens in the processing plant were turned off each week from 11pm on Friday until 6am the following Monday. The Company also conducted additional investigations to progress the development of Low Frequency Noise (**LFN**) solutions, including obtaining input from five different global expert engineering teams on noise and acoustic treatments. After an extensive investigative programme, each expert presented its findings and the potential solutions were peer reviewed and evaluated to determine the best available techniques to address LFN emissions from the processing plant.

The process culminated in an LFN noise and vibration management plan, together with a summary of the work undertaken by the experts, being submitted to the EA for review. Subsequent to Quarter end, the noise and vibration management plan has been agreed with the EA, with the solution identified from best available techniques being to re-clad the existing building structure with a proprietary acoustic panelling system at an estimated cost of up to £7.5 million. The Company has also returned to 7 days a week operation in January, including regular updates to the community on scheduled shutdown periods whilst the LFN noise and vibration management plan is implemented.

Previously, the Company assessed the costs of ongoing LFN rectifications and announced on 17 August 2017 that it had decided to notify its lead construction contractor, GR Engineering Services Limited (**GRES**), of its intention to recover these costs from the £7.5 million Performance Bond under the construction contract if GRES did not take all necessary actions to do so at its own cost. Further discussions and correspondence have taken place with GRES and are ongoing in relation to achieving a resolution. The Company remains confident that the Performance Bond will be sufficient to cover the costs of implementing the LFN noise and vibration management plan.

Increased Bridge Facility with Resource Capital Fund VI L.P.

As announced on 27 October 2017, the Company reached agreement with Resource Capital Fund VI L.P. (RCF VI) to increase its secured bridge loan facility (the **Bridge Facility**) and provide the Company with a further £10 million subordinated loan, bringing the total subordinated loans amount to £55 million. The subordinated loans are accruing interest at a rate of 15% per annum, which is being capitalised.

If certain conditions precedent are satisfied (including shareholder approval), RCF VI can elect that the subordinated loans switch to subordinated convertible notes. The Company will, in due course, 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.

Subsequent to Quarter end on 31 January 2018, the Company's funding and offtake standstill arrangements from the debt restructure in October 2016 were due to end and revert to the original terms announced to the market on 24 October 2016, including the re-commencement of principal debt repayments under the Senior Facilities Agreement. Therefore, the Company has engaged in negotiations with RCF VI, its senior lenders and offtakers to provide further funding support for short term working capital as the Company progresses towards long term self-sustainable operations at Drakelands.

The negotiations are in progress, targeting a completion date in February 2018. Therefore, to accommodate this timetable, a one month extension of the standstill period on the senior debt funding arrangements has been agreed. This includes deferring the £1 million principal debt repayment due on 31 January 2018 by one month.

Mining Tenements

As at 31 December 2017, the Company has an interest in the following projects:

Tenement	Location	Interest	Status	Grant Date
Hemerdon	United Kingdom	100%	Leased	10 February 2014

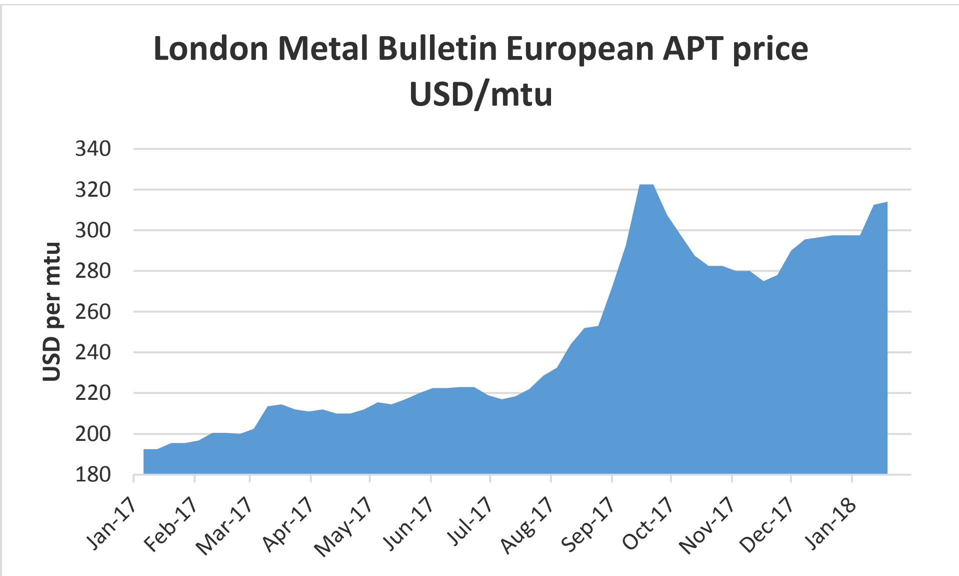
All tenements are held by Wolf Minerals (UK) Limited, a wholly owned subsidiary of the Company. No farm-in or farm-out agreements are applicable. No mining or exploration tenements were acquired or disposed of during the quarter.

Planned Upcoming Activities

In the three months to 31 March 2018, Wolf will continue to progress the operations at Drakelands. Details of proposed activities include:

- Continuing emphasis on personal safety awareness and hazard observations.
- Building upon processing plant performance and ramp up, including optimisation of the mine plan and gravity fines circuit.
- Commencing the ore pre-processing trial.
- Implementing the noise and vibration management plan to reduce LFN emissions.
- Completing negotiations for further funding support.

Tungsten Market Trends



The ammonium paratungstate (**APT**) price published by London Metal Bulletin (FOB Europe) had another solid performance during the Quarter, initially holding steady between US$270 – 280 per mtu before rising to US$293 per mtu by the end of the Quarter. The average for the Quarter was US$282 per mtu up from US$265 per mtu in the September quarter – an increase of 6%.

Subsequent to Quarter end, the APT price has risen further to US$315 per mtu.

The rise in the APT price during the Quarter has been attributed to a combination of tight concentrate supply and increased buying interest in China. The Company considers that further price rises over the next three to six months will largely depend on the extent of Chinese production capacity permanently removed from the market following the enforcement of higher environmental standards. End user markets remain positive, particularly the United States and Russia where oil and gas demand for tungsten carbide continues to strengthen.

Corporate

The Annual General Meeting was held on 28 November 2017, with all resolutions put to the meeting being passed unanimously on a show of hands.

The Company issued a total of 1,050,882 ordinary shares during the Quarter. These included 483,315 ordinary shares on 12 December 2017 and 567,567 ordinary shares on 27 December 2017 to the Company's Non-Executive Directors for the September and December quarters respectively under the Wolf Minerals Limited Directors' Share Plan (approved by shareholders at the 28 November 2017 Annual General Meeting). Under the Plan, Non-Executive Directors receive a portion of their fees in shares, allowing the Company to preserve its cash reserves.

The Company issued 3,104,637 performance rights during the Quarter to the interim Managing Director. The performance rights were issued in accordance with the Wolf Minerals Limited Performance Rights Plan, as approved by shareholders on 29 November 2016 and 28 November 2017 and vesting is subject to a number of conditions as specified in the Plan.

The Company's current capital structure is as follows:

Number	Class
1,088,696,830	Fully Paid Ordinary Shares
273,350	Performance rights with a vesting date of 30 June 2018
261,130	Performance rights with a vesting date of 30 June 2019
1,086,394	Performance rights with a vesting date of 30 June 2020
929,155	Performance rights with a vesting date of 30 June 2021
2,936,379	Performance rights with a vesting date of 30 June 2022

Investor Relations

The Company is focused on the completion of the Operating Turnaround Plan to achieve steady state production and implement continuous improvement opportunities. A schedule of focused roadshows and targeted presentations is being planned for 2018 to provide an opportunity for investors to engage with the Company on its future plans.

Information about the Company including the Company's corporate video which contains footage of the operations is available from the Wolf website at www.wolfminerals.com.

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About Wolf Minerals

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

DISCLOSURES

Certain disclosures in this report, including management's assessment of Wolf's plans and projects, constitute forward looking statements that are subject to numerous risks, uncertainties and other factors relating to Wolf's activities as a specialty metals exploration and producing company that may cause future results to differ materially from those expressed or implied in such forward-looking statements. Descriptions of these risks can be found in Wolf's various statutory reports. Readers are cautioned not to place undue reliance on forward-looking statements. Wolf expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.