



WOLF MINERALS LIMITED

ABN 11 121 831 472

(the "Company")

Thursday, 19 December 2019

Annual Report for the Financial Year ended 30 June 2018

Wolf Minerals Limited (ASX: WLF) wishes to release its annual financial report for the financial year ended 30 June 2018.

For further information, please contact

Stanley Hao Wen

Director

+61 2 8021 6700

bluestar0912@hotmail.com

Wolf Minerals Limited

(ABN: 11 121 831 472)

and Controlled Entities

Annual Report

For the Financial Year Ended 30 June 2018

CONTENTS

CORPORATE DIRECTORY	1
DIRECTORS' REPORT	2
AUDITOR'S INDEPENDENCE DECLARATION	19
DIRECTORS' DECLARATION	20
INDEPENDENT AUDITOR'S REPORT	21
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	23
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	24
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	25
CONSOLIDATED STATEMENT OF CASHFLOWS	26
NOTES TO THE FINANCIAL STATEMENTS	27

CORPORATE DIRECTORY

NON-EXECUTIVE DIRECTORS

Christian Brehm
Wing Kee Cheng
Hao Wen

COMPANY SECRETARY

Bill Weiping Lee

PRINCIPAL & REGISTERED OFFICE

Level 28, 108 St Georges Terrace
Perth WA 6000

AUDITORS

PKF Perth
Level 4, 35 Havelock Street
WEST PERTH WA 6005

SHARE REGISTER

Security Transfer Australia
770 Canning Hwy
APPLECROSS WA 6153
<https://www.securitytransfer.com.au/index.cfm>

SECURITIES EXCHANGE LISTINGS

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

BANKERS

National Australia Bank
50 St Georges Terrace
PERTH WA 6000

DIRECTORS' REPORT

Your Directors present their report on Wolf Minerals Limited (**Wolf** or the **Company**) and its controlled entities (the **Group**) for the financial year ended 30 June 2018.

DIRECTORS

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

John Hopkins OAM	Non-Executive Chairman (resigned 18 October 2018)
Richard Lucas	Interim Managing Director (resigned 19 October 2018)
Ronnie Beevor	Non-Executive Director (resigned 18 October 2018)
Nick Clarke	Non-Executive Director (resigned 20 October 2018)
Chris Corbett	Non-Executive Director (resigned 18 October 2018)
Don Newport	Non-Executive Director (resigned 19 October 2018)
Michael Wolley	Non-Executive Director (resigned 18 October 2018)
Jacob Roorda	Alternate Director for Mr Wolley (resigned 18 October 2018)
Christian Brehm	Non-Executive Director (appointed 11 November 2019)
Wing Kee Cheng	Non-Executive Director (appointed 11 November 2019)
Hao Wen	Non-Executive Director (appointed 11 November 2019)

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

Incomplete Records

On 10 October 2018, the Board of Directors resolved to place the Company into voluntary administration and appointed Martin Jones and Ryan Eagle of Ferrier Hodgson as voluntary administrator of the Company. Following appointment of the administrators, the powers of the Company's officers (including Directors) were suspended and the administrators assumed control of the Company's business, property and affairs.

The financial report has been prepared by the Company's management who were not in office for the periods presented in this report, nor were they parties involved with Company and did not have oversight or control over the Group's financial reporting systems including but not limited to being able to obtain access to complete accounting records of the Company.

To prepare the financial report, the Directors have reconstructed the financial records of the Group using management account information provided by the administrator. There may be information that the current management have not been able to obtain where the impact of which may or may not be material on the accounts.

These financial statements do not contain all the required information or disclosures in relation to transactions undertaken by the Company as this information is unascertainable due to the business rescue and administration process and/or the change in directorships and key management personnel.

Consequently, although the Directors have prepared this financial report to the best of their knowledge based on the information made available to them, they are of the opinion that it is not possible to state that this financial report has been prepared in accordance with Australian Accounting Standards including Australian interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001, nor is it possible to state this financial report gives a true and fair view of the Group's financial position as at the reporting period.

Events after the Reporting Date

On 10 October 2018, the Board of Directors resolved to place the Company into voluntary administration and appointed Martin Jones and Ryan Eagle of Ferrier Hodgson as voluntary administrator of the Company. Following appointment of the administrators, the powers of the Company's officers (including Directors) were suspended and the administrators assumed control of the Company's business, property and affairs.

On 17 October 2018, Wolf Minerals (UK) Limited was ordered to be wound up under the provisions of the UK Insolvency Act 1986. The petition was presented by the Directors (Petitioners) of Wolf Minerals (UK) Limited and the matter was heard in the High Court of Justice in the United Kingdom.

On 13 February 2019, the Company announced that at a meeting of creditors held on 21 January 2019, the creditors resolved that the Company execute a deed of company arrangement ("DOCA") and that Martin Jones and Ryan Eagle be appointed as administrators of the deed of company arrangement ("Deed Administrator"). The DOCA embodied a proposal by First Guardian Synergy Capital Pty Ltd ("Proponent") for the recapitalisation of the Company ("Recapitalisation Proposal").

A recapitalisation proposal typically involved injection of new cash into a company that is either in financial distress or has been placed into voluntary administration. In the ordinary course, the entity will retain some or all of its assets and seek reinstatement to trading following completion of the recapitalisation.

A summary of the material terms of the Recapitalisation Proposal as contained in the executed amended DOCA is set out below.

1. The Company and the Deed Administrator will establish the Creditors' Trust, with the Deed Administrator acting as trustee.
2. The assets of the Company will be transferred into the Creditors' Trust.
3. The Company will consolidate its existing shares on a one (1) for two hundred and fifty (250) basis.
4. The issue of 80m shares at an issue price of \$0.01 plus 5 free attaching options per share, in each case on a post-consolidation basis, to the Proponent (to be conducted on implementation of the DOCA).
5. The issue of 80m shares at an issue price of \$0.01 to sophisticated or professional investors identified or introduced by the Proponent (to be conducted within three months of shareholder approval)
6. The proponent will provide a creditor cash contribution of \$800,000

The conditions precedent for the completion of the DOCA include:

1. The Company obtaining resolutions of the shareholders of the Company approving the capital structure changes referred to above, in each case as required pursuant to the Act and the ASX Listing Rules.
2. Such consents required to transfer the Company's subsidiary interests to the Trust Fund.
3. Any other regulatory approvals required to complete the above.

As at 11 November 2019, all key conditions precedent had been satisfied and the Deed of Company Arrangement was effectuated. The new Board of Directors was appointed on 11 November 2019. The Company is in the process of being recapitalised, which will involve an acquisition, capital raising, share consolidation, re-compliance with Chapter 1 and 2 of the ASX Listing Rules, and subsequently an ASX relisting.

Principal activities

The principal activity of the Group during the financial year was tungsten and tin mining, conducted through the wholly owned subsidiary, Wolf Minerals (UK) Limited.

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

Operating results

The consolidated loss of the Group after providing for income tax amounted to \$56,748,264 (2017: \$74,536,641).

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 (CONTINUED)**INFORMATION ON DIRECTORS**

Mr John Hopkins OAM	—	Former Non Executive Chairman
Qualifications	—	LLB, FAICD
Experience	—	<p>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 40 years. He is also a Fellow of the Australian Institute of Company Directors. In 2015 Mr Hopkins was awarded the Medal of the Order of Australia (OAM) for his services to the minerals and resources sector.</p> <p>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.</p>
Interest in Shares and Options	—	Not applicable as no longer a Director.
Directorships held in other listed entities	—	<p>Mr Hopkins is currently the Non Executive Chairman of Universal Coal Plc, an ASX listed resources company.</p> <p>In the not for profit sector he has been Chairman of Golf Australia Ltd (the national governing body) since 2011.</p>
Mr Richard Lucas		Former Interim Managing Director
Qualifications		BCom, Chartered Accountant
Experience		<p>Mr Lucas was appointed as Interim Managing Director on 7 April 2017 and joined the Board as a Director on 8 May 2017.</p> <p>Mr Lucas is a Chartered Accountant with over 18 years of financial experience in various sectors, including mining, construction, property development and professional services sectors. Since joining Wolf in 2011 as the Company's Chief Financial Officer, Mr Lucas has established the Group's integrated finance function and has been instrumental in managing all elements of the Company's equity financings, relationships with off-takers as well as co-ordinating and managing the Company's debt.</p> <p>Prior to joining Wolf, 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.</p>
Interest in Shares, Options and Rights		Not applicable as no longer a Director

DIRECTORS' REPORT (CONTINUED)**INFORMATION ON DIRECTORS (continued)**

Directorships held in other listed entities	Mr Lucas is not a Director of any other listed companies.
Mr Ronald (Ronnie) Beevor	— Former Non Executive Director
Qualifications	— B.A. Hons (Oxon)
Experience	<p>— Mr Beevor joined the Board in September 2013 and has had 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.</p> <p>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.</p> <p>Mr Beevor qualified as a Chartered Accountant in London. He is Chairman of the Company's Audit, Risk and Compliance Committee, Chairman of its Remuneration Committee and a member of its Nomination Committee.</p>
Interest in Shares and Options	— Not applicable as no longer a Director.
Directorships held in other listed entities	<p>— Mr Beevor is currently Non Executive Chairman of Bannerman Resources Limited and was a Director of MZI Resources Limited.</p> <p>His former recent listed company directorships include Unity Mining Limited (from 2002 until 2015).</p>
Mr Nick Clarke	— Former Non Executive Director
Qualifications	— C Eng. , ACSM, MIMMM
Experience	<p>— Mr Clarke joined the Board in January 2014 and has 40 years of mining experience, including 16 years spent within senior management positions in production and technical services in South Africa, Ghana and Saudi Arabia. He served as the Managing Director of Oriel Resources plc until its acquisition by OAO Mechel for \$1.5 billion in 2008. From 1994 to 2004, he was managing director at Wardell Armstrong International Ltd, where he managed numerous multidisciplinary consulting projects in the resource sector.</p> <p>Mr Clarke is currently the Executive Chairman of London AIM listed Central Asia Metals plc, a copper producing company with assets in Kazakhstan, Mongolia and Chile.</p> <p>Mr Clarke is a graduate of Camborne School of Mines and a Chartered Engineer and was named CEO of the year at the Mining Journal outstanding achievements awards in 2013.</p>

DIRECTORS' REPORT (CONTINUED)**INFORMATION ON DIRECTORS (continued)**

Interest in Shares and Options	— Not applicable as no longer a Director.
Directorships held in other listed entities	— Mr Clarke is currently the Executive Chairman of AIM listed Central Asia Metals plc. Other recent former listed company directorships include Columbus Copper Corporation (from 2010 to 2015).
Mr Chris Corbett	— Former Non Executive Director
Qualifications	— BEng (Hons Mech), BCom, GradDipAppFin, GradDipMine, CPEng
Experience	<p>— Mr Corbett has more than 20 years' experience in mining, corporate business development and investment management. He joined the Wolf Board in 2009.</p> <p>He is currently employed by Resource Capital Funds, 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.</p> <p>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.</p>
Interest in Shares and Options	— Not applicable as no longer a Director.
Directorships held in other listed entities	— Mr Corbett does not currently hold any other listed company directorships.
Mr Don Newport	— Former Non Executive Director
Qualifications	— ACIB, CDipAF
Experience	<p>— Mr Newport brings a wealth of mining finance experience to the company.</p> <p>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.</p> <p>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.</p> <p>Mr Newport is an Associate of the Chartered Institute of Bankers and holds the Certified Accountant's Diploma in Accounting and Finance.</p> <p>He has been a Director of the Company since 2009.</p>
Interest in Shares and Options	— Not applicable as no longer a Director.
Directorships held in other listed entities	— Mr Newport does not currently hold any other listed company directorships.

DIRECTORS' REPORT (CONTINUED)**INFORMATION ON DIRECTORS (continued)**

Mr Michael Wolley	— Former Non Executive Director
Qualifications	— BE (Hons) Chemical and Materials Engineering, M Mgmt
Experience	<p>— 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 Wolf Board in June 2013.</p> <p>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.</p> <p>In 2007, Mr Wolley returned to the resources sector as Chief Operating Officer for Lynas Corporation, and subsequently into the gold sector where he held senior roles in several gold development businesses.</p> <p>Mr Wolley currently holds the position of Vice President Minerals for the Todd Corporation. He is a member of both the Australian and New Zealand Institutes of Company Directors.</p> <p>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.</p>
Interest in Shares and Options	— Not applicable as no longer a Director.
Directorships held in other listed entities	<p>— Mr Wolley is a Non Executive Director of ASX listed iron ore developer, Flinders Mines Limited.</p> <p>Mr Wolley's recent former listed company directorships include Red Mountain Mining Limited (ceased 2016)</p>
Mr Jacob Roorda	— Former Alternate Director for Mr Michael Wolley
	<p>Mr Jacob Roorda acts as Mr Wolley's Alternate Director at any meeting of Directors which Mr Wolley is not able to attend. The appointment of Mr Roorda will continue until Mr Roorda either resigns, Mr Wolley revokes the appointment or until Mr Wolley ceases to be a Director, whichever occurs first.</p>
Qualifications	— BSc Mechanical Engineering, MBA

DIRECTORS' REPORT (CONTINUED)**INFORMATION ON DIRECTORS (continued)**

Experience	<p>— Mr. Roorda is a Professional Engineer with over 35 years of experience in the oil and gas industry. He is presently the Executive Vice President of Todd Energy International Limited, a private company focusing on developing an unconventional gas resource in north eastern British Columbia, Canada and developing a methanol production facility in southern Louisiana, United States.</p> <p>Previously Mr Roorda was the Vice Chairman of Canoe Financial Corp., the President and VP Corporate for Harvest Operations Corp., VP Corporate and Director for PrimeWest Energy Trust, and Managing Director for Research Capital Corporation.</p> <p>He also founded three oil and gas companies and has acted in senior roles responsible for operational and development management, financial management and business development.</p>
Interest in Shares and Options	— Not applicable as no longer a Director.
Directorships held in other listed entities	<p>— Mr. Roorda is currently a director of Todd Energy Canada, Northcliff Resources Ltd., Epsilon Energy Inc., Petroshale Inc as well as South Louisiana Methanol LP.</p> <p>Mr Roorda's former listed company directorships include Angle Energy Inc., Enervest Diversified Income Trust, Canoe Financial Corporation, Argosy Energy Inc., TXCO Resources Inc., North Peace Energy Corp. and PrimeWest Energy Trust.</p>
Mr Christian Brehm	— Non Executive Director (Age 39 years)
Qualifications	— BA Economics and Law, MA Economics
Experience	<p>— Mr Christian Brehm brings to the Company practical management, deal-sourcing and capital raising experience.</p> <p>He has been a successful entrepreneur and a seasoned investment professional for over 12 years in a number of financial services companies and joint ventures including financial advisory firms, real-estate funds and investment banks. Mr Christian Brehm has previously held roles at Campus Living Villages, KPMG, Mazars, SMBC, Prout Partner and Deutsche Bank and gained valuable experience across a wide range of industries, including infrastructure, real estate, mining, private equity, structured finance, investment and asset management. He was a director of various ASIC regulated and licensed funds management business in Australia.</p>
Interest in Shares and Options	— Nil.

DIRECTORS' REPORT (CONTINUED)**INFORMATION ON DIRECTORS (continued)**

Directorships held in other listed entities	— Mr Brehm does not currently hold any other listed company directorships.
Mr Wing Kee Cheng	— Non Executive Director (Age 50 years)
Qualifications	— Bachelor of Economics, Masters of Applied Finance, Master of Laws
Experience	<p>— Mr Cheng has over 20 years' experience working in investment management, corporate finance advisory and compliance in Hong Kong and Australia.</p> <p>He has previously held senior positions at Standard Chartered Bank, Natixis, UBS and HSBC in Hong Kong, and has worked for Hong Kong Exchange and Clearing Limited.</p>
Interest in Shares and Options	— Nil.
Directorships held in other listed entities	— Mr. Cheng is currently a director of Faster Enterprises Ltd.
Mr. Hao Wen	— Non Executive Director (Age 36 years)
Qualifications	— Master of Finance
Experience	— Mr Hao Wen has over 10 years' experience in cross-border corporate finance and private equity investments in several major securities markets including ASX, HKEX, SGX and Nasdaq.
Interest in Shares and Options	— Nil.
Directorships held in other listed entities	— Mr Hao Wen does not currently hold any other listed company directorships.

DIRECTORS' REPORT (CONTINUED)**INFORMATION ON COMPANY SECRETARY****Mr Bill Weiping Lee**

— Company Secretary

Qualifications

— Bachelor of Laws, Master of Laws

Experience

— Mr Lee has been practicing in Australia, China and the Middle East for approximately 17 years and has extensive cross-border transaction experience in energy and resources, infrastructure, mergers and acquisitions, foreign direct investment and equity markets, as well as corporations' compliance issues. With his in-house and private practice background, Mr. Lee is resourceful and capable of providing client-oriented, personally-tailored, commercial and legal advice to clients.

As an Australian lawyer, Mr Lee has been focusing on the Australian capital market and has assisted more than 20 companies listed on ASX, including recently listed companies such as Boyuan Holdings Limited (BHL), Jiajiafu Modern Agriculture Limited (JJF), and JC International Limited (JCL) etc. Mr Lee is also an active speaker on the Australian Corporations Act and ASX Listing Rules and providing compliance advice and services to ASX listed companies. LWPG & Partners is a registered Nominated Advisor at the National Stock Exchange of Australia and Mr Lee is the responsible officer.

DIRECTORS' REPORT (CONTINUED)**REMUNERATION REPORT - AUDITED**

This remuneration report, which forms part of the Directors' Report, sets out information about the remuneration of Wolf Minerals Limited's directors and its senior management for the financial year ended 30 June 2018. The Company was in Administration from 10 October 2018. On entering administration, the Administrator was responsible for the remuneration policy of the Company.

Management and the Directors who are in office at the date of this report had no involvement in adopting, implementing or complying with these remuneration policies. These policies may or may not have been in place during the year.

If the recapitalisation process is successful, the Directors who are in office at the date of this report will adopt a new remuneration policy in accordance with the corporate governance framework to be adopted by the Board.

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 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 Group, as well as create goal congruence between directors, executives and shareholders.

Employment Details of Members of Key Management Personnel

Due to the company being placed into administration on 10 October 2018 and all Directors and KMP have since resigned, information on the transactions with Key Management Personnel prior to the appointment of the new Directors is not available. There are no contracts in place with the new Directors and no other KMP have been appointed.

Group Key Management Personnel	Position held as at 30 June 2017 and any change during the year	Contract details (duration and termination)	Proportion of elements of remuneration related to performance			Proportion of elements of remuneration not related to performance
			Non-Salary Cash-Based Incentives	Shares/Units	Rights	Fixed Salary/Fees
			%	%	%	%
John Hopkins OAM	Non Executive Chairman	No fixed term. No notice required to terminate.	-	-	-	100
Richard Lucas	Interim Executive Managing Director	No fixed term. 3 months notice required to terminate.	14	-	5	81
Ronnie Beevor	Non Executive Director	No fixed term. No notice required to terminate.	-	-	-	100
Nick Clarke	Non Executive Director	No fixed term. No notice required to terminate.	-	-	-	100
Chris Corbett	Non Executive Director	No fixed term. No notice required to terminate.	-	-	-	100
Don Newport	Non Executive Director	No fixed term. No notice required to terminate.	-	-	-	100
Michael Wolley	Non Executive Director	No fixed term. No notice required to terminate.	-	-	-	100

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT – AUDITED (continued)

The Board's policy for determining the nature and amount of remuneration for key management personnel of the 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 experience and market demand for comparable roles), 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 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**) which are aligned to strategic imperatives and the maximisation of 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 performance rights arrangements.

The key management personnel received a superannuation guarantee contribution of 9.5% for 2018 (2017: 9.5%), and do not receive any other retirement benefits.

All remuneration paid to key management personnel is valued at the cost to the Company and expensed. Performance rights are valued using the Black-Scholes or Monte Carlo methodology depending on the vesting criteria.

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 Group. However, on 16 November 2015 shareholders approved a Directors' Share Plan whereby Non Executive Directors receive a fixed component of their fees in the form of fully paid Wolf shares. The Directors' Share Plan is designed to retain cash reserves and better align Non Executive Directors' remuneration with the performance of the Group.

Detailed accounting records are not available to allow the completion of the remuneration details for former directors and key management personnel for the year ended 30 June 2018.

DIRECTORS' REPORT (CONTINUED)**REMUNERATION REPORT – AUDITED (continued)**

The Non Executive Director remuneration packages (inclusive of superannuation) from 1 July 2016 are as follows:

	Base	Remuneration Committee		Audit, Risk and Compliance Committee		Nomination Committee		Project Steering Committee		Non Cash	Total
		Chair	Member	Chair	Member	Chair	Member	Chair	Member		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
John Hopkins											
OAM	111,500	-	-	-	5,475	5,475	-	-	-	48,000	170,450
Ronnie Beevor	55,750	10,950	-	10,950	-	-	2,737	-	-	24,000	104,387
Nick Clarke	55,750	-	5,475	-	-	-	-	-	5,475	24,000	90,700
Chris Corbett	55,750	-	5,475	-	-	-	2,737	10,950	-	24,000	98,912
Don Newport	55,750	-	5,475	-	5,475	-	-	-	-	24,000	90,700
Michael Wolley	55,750	-	5,475	-	-	-	2,737	-	5,475	24,000	93,437
	390,250	10,950	21,900	10,950	10,950	5,475	8,211	10,950	10,950	168,000	648,586

Performance-based remuneration

The Company is an operating entity moving toward full production status. 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

The Company has a Short Term Incentive Plan (**STI**) in place for senior management personnel. The STI measurement is based on KPIs that are set and agreed each year by the Remuneration Committee and the Board.

Due to the appointment of the Administrator on 10 October 2018 to the Company, information on STI targets is not available.

Long term incentives

The Performance Rights Plan (**PRP**) is the Company's long term incentive arrangement (**LTI**). Under the PRP the Board may grant eligible Wolf employees' rights, known as Performance Rights, which are subject to the satisfaction of performance conditions (**Vesting Conditions**) and then convertible into fully paid Wolf ordinary shares. The Vesting Conditions relate to the relative share price performance versus the AIM Basic Resources Index (for 50% of the rights) and the Total Shareholder Return performance over the vesting period (for 50% of the rights).

The Wolf Board of Directors has ultimate discretion in determining the issue of Performance Rights and other securities under the Company's Performance Rights Plan.

Due to the appointment of the Administrator on 10 October 2018 to the Company, information on STI targets is not available.

On 1 July 2016 the Board announced that it had approved an extension to the vesting period of the Performance Rights Plan's performance rights for an additional two years to a maximum of five years. Vesting assessments will be conducted by the Remuneration Committee at predetermined intervals during the additional two year period and, subject to the outcome of the review, performance rights may vest prior to their new expiry date. Approval for the requisite elements of the extension arrangements was granted by shareholders at the Company's 2016 Annual General Meeting.

DIRECTORS' REPORT (CONTINUED)**REMUNERATION REPORT – AUDITED (continued)****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 Interim Managing Director, Richard Lucas, and other key management personnel are formalised in contracts of employment. All key management personnel are permanent employees of Wolf Minerals Limited.

The standard employment contract states a three-month notice 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

Due to the appointment of the Administrators on 10 October 2018 to the Company, information on key management personnel remuneration for the year ended 30 June 2018 is not available.

	Short Term Benefits		Bonuses	Share Based Payments	Post Employment Benefits		Total
	Salary and Fees	Non Cash Benefits		Shares, Rights & Options	Super-annuation	Termination Benefits	
	\$	\$	\$	\$	\$	\$	\$
2017							
John Hopkins OAM	111,827	-	-	48,000	10,623	-	170,450
Richard Lucas	338,090	-	62,736	21,348	28,975	-	451,149
Ronnie Beevor	80,387	-	-	24,000	-	-	104,387
Nick Clarke	66,700	-	-	24,000	-	-	90,700
Chris Corbett ¹	74,912	-	-	24,000	-	-	98,912
Don Newport	66,700	-	-	24,000	-	-	90,700
Michael Wolley ²	69,437	-	-	24,000	-	-	93,437
Russell Clark ³	392,308	63,143	40,176	107,252	42,205	321,013	966,097
	1,200,361	63,143	102,912	296,600	81,803	321,013	2,065,832

¹ Chris Corbett's remuneration is paid to RCF Capital Funds Management Pty Ltd. Mr Corbett is Resource Capital Fund V L.P.'s and Resource Capital Fund VI L.P.'s representative director on the Board.

² Michael Wolley's remuneration is paid to TTI (NZ) Limited. Mr Wolley is TTI (NZ) Limited's representative director on the Board.

³ Russell Clark ceased being a director and resigned from the Company on 14 May 2017.

DIRECTORS' REPORT (CONTINUED)**REMUNERATION REPORT – AUDITED (continued)****(b) Performance rights issued as part of remuneration for the year ended 30 June 2018**

During the year the Company issued performance rights to executive management under the LTI plan. The issue was calculated based on the employee's fixed salary remuneration for the 2018 financial year. The rights were issued to the following key management personnel:

Performance rights

	Number	Value (\$)
Richard Lucas	3,104,637	268,500

The rights have been valued using the Monte Carlo valuation method (refer Note 26). The total value of the performance rights will be recognised in the statement of profit or loss and other comprehensive income on a pro-rata basis over the life of the respective performance rights.

The total amount of performance rights relating to key management personnel recognised in the statement of profit or loss and other comprehensive income during the financial year is as follows:

	LTI (\$)	% Base Salary
Richard Lucas	60,475	13%

(c) Shares issued on exercise of compensation rights

There were no rights granted as compensation that vested during the year ended 30 June 2018.

(d) Shareholdings

2018	Balance 1.7.2017	Received as Compensation	Options/ Rights Exercised	Balance on (Resignation)/ Appointment	Balance 30.6.2018
Number of shares held by key management personnel:					
John Hopkins	1,243,097	696,681	-	-	1,939,778
Richard Lucas	75,467	-	-	-	75,467
Ronnie Beevor	804,552	348,341	-	-	1,152,893
Nick Clarke	454,552	348,341	-	-	802,893
Don Newport	454,552	348,341	-	-	802,893
Total	3,032,220	1,741,704	-	-	4,773,924

DIRECTORS' REPORT (CONTINUED)**REMUNERATION REPORT – AUDITED (continued)****(e) Options and rights holdings**

2018	Balance 1.7.2017	Granted as Compensation¹	Options / Rights Exercised	Net Change Other	Balance 30.6.2018	Total Vested 30.6.2018	Total Exercisable 30.6.2018
Number of options and rights held by key management personnel:							
Richard Lucas	1,724,673	3,104,637	-	(152,778)	4,676,532	-	-
Total	1,724,673	3,104,637	-	(152,778)	4,676,532	-	-

¹ Performance rights and options issued as part of remuneration.

Key management personnel who do not hold any options or rights at 30 June 2018 nor have held any during the year are not included in the above tables.

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

END OF REMUNERATION REPORT – AUDITED

DIRECTORS' REPORT (CONTINUED)

Meetings of Directors

Due to the appointment of the Administrator on 10 October 2018 to the Company, information on the attendance at Directors' meetings is not available.

Indemnifying officers

During the financial year the Company paid a premium in respect of a contract insuring the directors of the Company, the Company Secretary, and all executive directors of the Company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. Due to the appointment of the Administrators on 10 October 2018 to the Company, information on the nature of the liability and the amount of the premium is not available.

Due to the Company being in administration, the Directors' insurance premiums have not been renewed since the last policy was paid. It is the intention of the current Directors of the Company to ensure an adequate premium in respect of insuring the Directors, Secretary or executive officers to the extent permitted by the Corporations Act 2001.

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

Rights

At the date of this report, there is no unissued ordinary shares of Wolf Minerals Limited under rights.

Significant changes in state of affairs

There were no significant changes in the state of affairs of the Group during the financial year.

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
- 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.

DIRECTORS' REPORT (CONTINUED)

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2018 has been received and can be found on page 19.

This report is made in accordance with a resolution of the Board of Directors. These financial statements were authorised for issue on 9 December 2019 by the Directors of the Company.



Hao Wen

Director

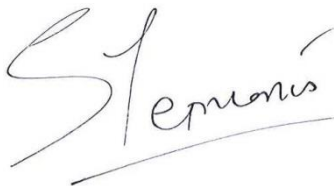
Date: 10 December 2019

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF WOLF MINERALS LIMITED

In relation to our audit of the financial report of Wolf Minerals Limited for the year ended 30 June 2018, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



PKF PERTH



SIMON FERMANIS
PARTNER

10 DECEMBER 2019
WEST PERTH,
WESTERN AUSTRALIA

Level 4, 35 Havelock Street, West Perth, WA 6005
PO Box 609, West Perth, WA 6872
T: +61 8 9426 8999 F: +61 8 9426 8900 www.pkfperth.com.au

PKF Perth is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.

Liability limited by a scheme approved under Professional Standards Legislation.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 23 to 62, and the remuneration disclosures in the Directors Report designated audited, subject to the qualification set out in paragraph 3 below 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 2018 and of the performance for the year ended on that date of the Company and Consolidated Entity;
 - c. the financial statements are in compliance with International Financial Reporting Standards, as stated in Note 1 to the financial statements.
2. As indicated in note 1, in the directors' opinion, subject to the successful recapitalization of the Company, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. Due to the turnover of previous staff and officers, the parent company being subject to external administration and the liquidation of subsidiary, complete accounting records for the Group have not been able to be located. For the year ended 30 June 2018 this has led to insufficient information being available to support several material transactions and the disclosures required in the remuneration report.

The Directors are of the opinion that it is not possible to state that the audited Remuneration Report disclosures, financial statements and notes are in accordance with the requirements of the Corporations Act 2001, due to the lack of records and certainty in connection with material transactions during the year ended 30 June 2018.

It is noted by the Directors that while historical records are incomplete, the absence of these records is not expected to significantly detract from the Company's ability to maintain proper books and records for the period from 11 November 2019, when the current directors were appointed. Therefore, the absence of records due to the turnover of previous staff and officers, the parent company being subject to external administration and the liquidation of all subsidiaries, primarily affects the historical records of the Company and the Group rather than its ability to continue the Company's retained operations.

4. The directors have been given the declarations required by s295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer, which are also subject to the qualification in paragraph 3 above.

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



Hao Wen
Director

Date: 10 December 2019

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

Report on the Financial Report

Disclaimer of Opinion

We were engaged to audit the accompanying financial report of Wolf Minerals Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2018, 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 comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

We do not express an opinion on the accompanying financial report of the consolidated entity. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report, and whether the financial report of the consolidated entity is in accordance with the Corporations Act 2001. Accordingly we do not express an opinion on the financial report.

Basis for Disclaimer of Opinion

As disclosed in note 1 to the financial statements, on 10 October 2018, the Company was placed into voluntary administration. Following the appointment of the administrators, the powers of the directors and officers of the Company were suspended and the administrators assumed control of the Company and its financial affairs.

Due to the circumstances, the directors were unable to obtain all the necessary books and records pertaining to the consolidated entity. On 11 November 2019, new Directors were appointed and the company was released from administration following the effectuation of a Deed of Company Arrangement.

Accordingly, the financial report for the year ended 30 June 2018 has been prepared by the directors without the benefit of complete information being available for the consolidated entity.

As the remaining records are not adequate to permit the application of necessary audit procedures, we are unable to obtain all the information and explanations we require in order to form an opinion on the financial report.

Independence

We are independent of the Company and consolidated entity in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of Directors' for the Financial Report

The Directors of the consolidated entity 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 Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report complies with International Financial Reporting Standards.

Level 4, 35 Havelock Street, West Perth, WA 6005
PO Box 609, West Perth, WA 6872
T: +61 8 9426 8999 F: +61 8 9426 8900 www.pkfperth.com.au

In preparing the financial report, the Directors are responsible for assessing the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using a going concern basis of accounting unless the Directors either intend to liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. However, because of the matters described in the Basis for Disclaimer of Opinion section, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on the Remuneration Report

Opinion

Our responsibility is to express an opinion on the Remuneration Report included on pages 11 to 16 of the Directors' Report for the year ended 30 June 2018 in accordance with section 300A of the Corporations Act 2001.

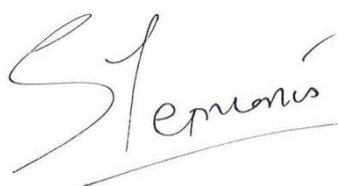
Because of the matters described in the Basis for Disclaimer of Opinion paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Remuneration Report. Accordingly we do not express an opinion on the remuneration report.

Responsibilities

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. The Remuneration Report has been prepared by the Directors without the benefit of complete information. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



PKF PERTH



SIMON FERMANIS
PARTNER

10 DECEMBER 2019
WEST PERTH,
WESTERN AUSTRALIA

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

	NOTE	2018 \$	2017 \$
Revenue	3	49,335,755	24,700,004
Cost of sales	4	(91,876,545)	(76,396,715)
Gross loss		(42,540,790)	(51,696,711)
Other income		17,422,426	1,317,709
Corporate and technical services	5	(3,513,189)	(8,233,903)
Financial instrument gain/(loss)		(3,680,895)	(7,607,347)
Operating loss		(32,312,448)	(66,220,252)
Finance income		77,976	125,921
Finance costs	6	(24,513,792)	(8,442,310)
Total finance costs		(24,435,816)	(8,316,389)
Loss before income tax		(56,748,264)	(74,536,641)
Income tax expense	7	-	-
Loss for the year after income tax		(56,748,264)	(74,536,641)
Other comprehensive income for the year			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		2,175,541	(11,064,618)
Movement in the cash flow hedge reserve (net of tax)		7,165,595	4,287,276
Other comprehensive income for the year (net of tax)		9,341,136	(6,777,342)
Total comprehensive income/(loss) for the year attributable to members of the parent		(47,407,129)	(81,313,983)
LOSS PER SHARE			
Basic loss per share (cents)	10	(5.21)	(6.87)
Diluted loss per share (cents)	10	(5.21)	(6.87)

The accompanying notes form part of these financial statements.

These financial statements are presented in Australian dollars being the Group's functional and presentation currency.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018**

	NOTE	2018 \$	2017 \$
CURRENT ASSETS			
Cash and cash equivalents	11	19,831,789	8,333,662
Trade and other receivables	12	3,053,280	2,328,126
Inventories	13	7,497,530	3,098,154
Derivative financial instruments	14	-	-
Other current assets	15	331,935	531,497
TOTAL CURRENT ASSETS		<u>30,714,534</u>	<u>14,291,439</u>
NON CURRENT ASSETS			
Property, plant and equipment	16	274,462,216	263,749,966
Mine properties and development	17	5,412,795	5,582,197
Derivative financial instruments	14	-	-
Other non-current assets	15	19,520,265	17,189,663
TOTAL NON CURRENT ASSETS		<u>299,395,276</u>	<u>286,521,826</u>
TOTAL ASSETS		<u>330,109,810</u>	<u>300,813,265</u>
CURRENT LIABILITIES			
Trade and other payables	18	28,282,992	22,978,838
Provisions	19	115,264	193,960
Borrowings	20	8,383,951	59,874,424
Derivative financial instruments	14	34,803	4,202,631
TOTAL CURRENT LIABILITIES		<u>36,817,010</u>	<u>87,249,853</u>
NON CURRENT LIABILITIES			
Provisions	19	7,433,555	6,778,765
Borrowings	20	223,684,087	97,060,134
Derivative financial instruments	14	-	366,877
TOTAL NON CURRENT LIABILITIES		<u>231,117,642</u>	<u>104,205,776</u>
TOTAL LIABILITIES		<u>267,934,652</u>	<u>191,455,629</u>
NET ASSETS		<u>62,175,155</u>	<u>109,357,636</u>
EQUITY			
Issued capital	21	274,244,487	274,080,313
Reserves	22	2,758,752	(6,642,857)
Accumulated losses		<u>(214,828,084)</u>	<u>(158,079,820)</u>
TOTAL EQUITY		<u>62,175,155</u>	<u>109,357,636</u>

The accompanying notes form part of these financial statements.

These financial statements are presented in Australian dollars being the Group's functional and presentation currency.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

	Ordinary shares	Accumulated losses	Option reserve	Cash flow hedge reserve	Foreign currency translation reserve	Total
	\$	\$	\$	\$	\$	\$
Balance at 30 June 2016	273,544,711	(83,543,179)	1,743,297	(10,671,031)	9,252,726	190,326,524
Loss for the year	-	(74,536,641)	-	-	-	(74,536,641)
<i>Other comprehensive income</i>						
Foreign currency translation differences	-	-	-	-	(11,064,618)	(11,064,618)
Other comprehensive income for the year	-	-	-	4,287,276	-	4,287,276
Total comprehensive income for the year	-	-	-	4,287,276	(11,064,618)	(6,777,342)
<i>Transactions with owners, recorded directly in equity</i>						
Issue of share capital	-	-	-	-	-	-
Transaction costs	(41,043)	-	-	-	-	(41,043)
Options & rights exercised during the year	408,645	-	(408,645)	-	-	-
Options & rights expensed during the year	-	-	218,138	-	-	218,138
Equity compensation benefit	168,000	-	-	-	-	168,000
Balance at 30 June 2017	274,080,313	(158,079,820)	1,552,790	(6,383,755)	(1,811,892)	109,357,636
Loss for the year	-	(56,748,264)	-	-	-	(56,748,265)
<i>Other comprehensive income</i>						
Foreign currency translation differences	-	-	-	-	2,175,541	2,175,541
Other comprehensive income for the year	-	-	-	7,165,595	-	7,165,595
Total comprehensive income for the year	-	-	-	7,165,595	2,175,541	9,341,136
<i>Transactions with owners, recorded directly in equity</i>						
Issue of share capital	-	-	-	-	-	-
Transaction costs	(3,826)	-	-	-	-	(3,826)
Options & rights exercised during the year	-	-	-	-	-	-
Options & rights expensed during the year	-	-	60,473	-	-	60,473
Equity compensation benefit	168,000	-	-	-	-	168,000
Balance at 30 June 2018	274,244,487	(214,828,084)	1,613,263	781,840	363,649	62,175,155

The accompanying notes form part of these financial statements.
These financial statements are presented in Australian dollars being the Group's functional and presentation currency.

**CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

	NOTE	2018 \$	2017 \$
Cash Flows from Operating Activities			
Receipts from customers		49,503,920	23,395,420
Payments to suppliers and employees		(77,709,890)	(63,301,078)
Other income		17,422,426	1,317,709
Interest received		139	262,783
Net cash used in operating activities	25	<u>(10,783,405)</u>	<u>(38,325,166)</u>
Cash Flows from Investing Activities			
Payments for exploration and development		(8,849,419)	-
Payments made in respect on bonds and collateral deposits		(1,335,858)	(547,659)
Payments for property, plant & equipment		<u>(7,637,518)</u>	<u>(17,929,458)</u>
Net cash used in investing activities		<u>(17,822,795)</u>	<u>(18,477,117)</u>
Cash Flows from Financing Activities			
Proceeds from issue of shares		-	-
Payments for share issue costs		(3,826)	(41,043)
Proceeds from borrowings		(3,560,600)	55,882,200
Repayment of borrowings		57,859,750	(4,658,543)
Payments for borrowing costs		(9,930,266)	(7,202,257)
Financial instrument payments		<u>(3,649,634)</u>	<u>(11,546,913)</u>
Net cash generated from financing activities		<u>40,715,424</u>	<u>32,433,444</u>
Net increase/(decrease) in cash and cash equivalents		12,109,224	(24,368,839)
Effects of exchange rate changes on the balance of cash held in foreign currencies		-611,097	(2,307,826)
Cash and cash equivalents at beginning of financial year	11	<u>8,333,662</u>	<u>35,010,327</u>
Closing cash and cash equivalents carried forward	11	<u><u>19,831,789</u></u>	<u><u>8,333,662</u></u>

The accompanying notes form part of these financial statements.

These financial statements are presented in Australian dollars being the Group's functional and presentation currency.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

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 “for profit” oriented 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 10 December 2019. 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
- 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 the consolidated 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 group incurred a loss of \$47,407,129 for the year ended 30 June 2018 (2017: \$81,313,983).

The financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Directors believe it is appropriate to prepare these accounts on a going concern basis because under the DOCA effectuated on 11 November 2019 the Company has extinguished all liabilities associated with previous administration of the Company. The Company is in the process of being recapitalised, which will involve acquisition, capital raising, share consolidation, re-compliance with Chapters 1 and 2 of the ASX Listing Rules, and subsequently an ASX relisting.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Going Concern (continued)

Should the Group not achieve a recapitalisation and successful ASX re-listing, there is significant uncertainty whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial reports.

The financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or liabilities that might be necessary should the Group not be able to continue as a going concern.

Incomplete Records

On 10 October 2018, the Board of Directors resolved to place the Company into voluntary administration and appointed Martin Jones and Ryan Eagle of Ferrier Hodgson as voluntary administrator of the Company. Following appointment of the administrators, the powers of the Company's officers (including Directors) were suspended and the administrators assumed control of the Company's business, property and affairs.

The financial report has been prepared by the Company's management who were not in office for the periods presented in this report, nor were they parties involved with Company and did not have oversight or control over the Group's financial reporting systems including but not limited to being able to obtain access to complete accounting records of the Company.

To prepare the financial report, the Directors have reconstructed the financial records of the Group using management account information provided by the administrator. There may be information that the current management have not been able to obtain where the impact of which may or may not be material on the accounts.

These financial statements do not contain all the required information or disclosures in relation to transactions undertaken by the Company as this information is unascertainable due to the business rescue and administration process and/or the change in directorships and key management personnel.

Consequently, although the Directors have prepared this financial report to the best of their knowledge based on the information made available to them, they are of the opinion that it is not possible to state that this financial report has been prepared in accordance with Australian Accounting Standards including Australian interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001, nor is it possible to state this financial report gives a true and fair view of the Group's financial position as at the reporting period.

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 2018 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 2 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Significant Accounting Estimates, Judgments and Assumptions

The preparation of consolidated 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 Parent Entity'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 impact the operations and carrying values of assets and liabilities.

(iii) *Estimated impairment of mine properties and property, plant and equipment (Note 16 and 17)*

The Company tests annually whether the mine properties and property, plant and equipment 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 Company's only CGU.

In assessing the carrying amounts of its mine properties and property, plant and equipment at the Project, the Directors have used an updated financial model based upon the original DFS prepared by the parent undertaking in conjunction with a number of independent experts. The study has been approved by the Directors.

The assessment period used in the report is the updated life of the mine of 10 years from the increased reserves, plus the remaining period for commissioning and preparation for full production. Tungsten revenues have been estimated over that period at a price range of US\$220 – US\$320 per mtu. Tin revenues have been estimated over that period at a price of US\$20,000/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 367,647 mtu's and 563 tonnes respectively. The life of mine operating cost estimate has been updated to match the mine plan for the new reserves. Royalties have been calculated at 2% of gross sales revenues and corporate income tax at 21%. A discount rate of 8% has been utilised. Based on the calculations, the net present value as at 30 June 2017 after the recoupment of the remaining capital costs of the Project exceeds the carrying value of the mine properties and property, plant and equipment, therefore no impairment has been recorded.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

- (iii) *Estimated impairment of mine properties and property, plant and equipment (Note 16 and 17) (continued)*
The recoverable amount is sensitive to possible changes in the key assumptions which would cause the carrying amount to exceed the recoverable amount. The value in use calculations have been updated to reflect the successful application to extend the current planning permission to enable the full ore body to be mined, together with obtaining the requisite permission to operate 7 days a week.

The Financial Statements have been prepared on the basis that the entity can meet its commitments as and when they fall due and can therefore continue normal business activities, and the realisation of assets and liabilities in the ordinary course of business (refer Going Concern section of Note 1).

- (iv) *Mine environmental rehabilitation and restoration provision (Note 19)*
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 2017 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 consolidated 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

(i) *Freehold land*

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

(ii) *Plant and equipment*

Plant and equipment is 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 consolidated statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

(iii) *Depreciation*

Items of property, plant and equipment are depreciated over their estimated useful lives. The Company uses the unit-of-production basis when depreciating mine specific assets which results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining life of mine. Each item's economic life has due regard to both its physical life limitations and to present assessments of economically recoverable reserves and resources of the mine property at which it is located.

For the remainder of assets the reducing balance method is used, resulting in estimated useful lives between 3 to 10 years, the duration of which reflects the useful life depending on the nature of the asset. Estimates of remaining useful lives and depreciation methods are reviewed annually for all major items of plant and equipment.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

f. **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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. 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 consolidated statement of financial position.

(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 consolidated 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 consolidated statement of comprehensive income as gains and losses from investment securities.

(iv) Fair value

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Financial Instruments (continued)

(iv) Fair value (continued)

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.

(v) Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives are classified as current or non-current depending on the expected period of realisation.

(vi) Cash flow hedges

Cash flow hedges are used to cover the Consolidated Entity's exposure to variability in cash flows that is attributable to particular risk associated with a recognised asset or liability or a firm commitment which could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, whilst the ineffective portion is recognised in profit or loss. Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs.

Cash flow hedges are tested for effectiveness on a regular basis both retrospectively and prospectively to ensure that each hedge is highly effective and continues to be designated as a cash flow hedge. If the forecast transaction is no longer expected to occur, amounts recognised in equity are transferred to profit or loss.

If the hedging instrument is sold, terminated, expires, exercised without replacement or rollover, or if the hedge becomes ineffective and is no longer a designated hedge, amounts previously recognised in equity remain in equity until the forecast transaction occurs.

h. 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 (g) (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 (g) (iii) available for sale financial assets.

i. 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j. 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 consolidated statement of comprehensive income or revaluation reserves in the period in which the impairment arises.

(ii) Non-financial 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 consolidated 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 exists. 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.

k. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k. Provisions (continued)

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.

l. Inventory

Recognition and measurement

Consumable materials for plant and equipment are recognised as inventory. Consumable stocks are carried at the lower of cost and net realisable value.

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

(i) Basic loss per share

Basic loss per share is determined by dividing the net loss 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.

(ii) Diluted loss per share

Diluted earnings per share adjusts the figures used in the determination of basic loss 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

p. Foreign Currency Transactions and Balances

(i) 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.

(ii) 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 consolidated statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary 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 consolidated statement of comprehensive income.

(iii) 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 consolidated statement of financial position. These differences are recognised in the consolidated 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 consolidated 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

r. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods and disposal of other assets is recognised when persuasive evidence, usually in the form of an executed sales agreement, or an arrangement exists, indicating there has been a transfer of risks and rewards to the customer, no further work or processing is required by the Group, the quantity and quality of the goods has been determined with reasonable accuracy, the price is fixed or determinable and collectability is reasonably assured. This is generally when title passes.

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 Monte Carlo 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.

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:

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

u. Income Tax (continued)

- 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.

Research and development tax offsets are accounted for on receipt and under the requirements of AASB 112.

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.

x. 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 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.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

y. New and amended standards and interpretations issued but not yet effective for the financial year beginning 1 July 2017 and not early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2018. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available. The directors have determined that there is no material financial impact from the implementation of this standard, other than disclosure requirements and accounting policy terminology.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period. The directors have determined that there is no material financial impact from the implementation of this standard, other than disclosure requirements and accounting policy terminology.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

y. New and amended standards and interpretations issued but not yet effective for the financial year beginning 1 July 2017 and not early adopted (continued)

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The directors have determined that there is no material financial impact from the implementation of this standard, other than disclosure requirements and accounting policy terminology.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

NOTE 2: CONTROLLED ENTITIES

	Country of incorporation	2018		2017	
		% owned	Investment (\$)	% owned	Investment (\$)
Subsidiaries of Wolf Minerals Limited:					
Wolf Minerals (UK) Limited	United Kingdom	100	313,711,847	100	313,711,847
Wolf Minerals Finance Pty Ltd	Australia	100	124	100	124
Wolf Minerals LLP	United Kingdom	100	-	100	-

During the prior year, Wolf Minerals (UK) Limited repaid a loan to Wolf Minerals Limited through the issue of shares.

	2018 \$	2017 \$
NOTE 3: REVENUE		
Revenue – tungsten	43,727,180	20,615,254
Revenue – tin	5,608,575	4,084,750
	<u>49,335,755</u>	<u>24,700,004</u>

NOTE 4: COST OF SALES

Mining	22,795,131	18,722,495
Processing	35,080,932	30,995,537
Site administration	15,413,934	9,457,142
Depreciation	18,586,548	17,221,541
	<u>91,876,545</u>	<u>76,396,715</u>

NOTE 5: CORPORATE AND TECHNICAL SERVICES

Administration expenses	2,466,339	5,617,022
Depreciation & amortisation expense	22,086	26,793
Directors' fees	480,586	480,586
Equity compensation benefits	228,475	311,234
Employee benefits expense		
- superannuation contributions	19,157	113,552
- transfer to/(from) provision for annual leave	(22,291)	(3,427)
- transfer to/(from) provision for long service leave	18	(20,326)
- salary and wages and other employee benefits	318,819	1,708,469
	<u>(3,491,103)</u>	<u>8,233,903</u>

NOTE 6: FINANCE COSTS

Bank charges	17,380	9,636
Interest expense	21,948,918	6,897,615
Borrowing costs	2,340,698	1,364,291
Unwinding of discount on rehabilitation provision	206,797	170,768
	<u>24,513,792</u>	<u>8,442,310</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

NOTE 7: INCOME TAX EXPENSE	2018	2017
	\$	\$
a. The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>
b. The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on loss from ordinary activities before income tax at 30% (2017: 30%)		
Consolidated group	(17,024,480)	(22,224,742)
Add:		
Tax effect of:		
- Share based payments	*	116,670
- Other non-allowable items	*	4,820
- Provisions and accruals	*	289,046
- Property, plant and equipment	*	-
- Rehabilitation expense and amortisation	*	167,678
- Other assessable items	*	28,558
- Revenue losses not recognised	*	238,634
- Overseas revenue losses not recognised	*	14,262,432
- Lower tax rate in foreign jurisdictions on overseas revenue losses	*	7,131,216
	<u>*</u>	<u>22,239,054</u>
Less:		
Tax effect of:		
- Provisions and accruals	*	-
- Capital raising costs	*	(4,368)
- Other non-assessable items	*	(9,944)
- Research and development tax concession rebate	*	-
	<u>*</u>	<u>(14,312)</u>
Income tax expense/(benefit)	<u>-</u>	<u>-</u>

*As detailed in the Incomplete Records section of Note 1, current management have reconstructed the financial records of the Group based on the limited information that have been made available to them.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

NOTE 7: INCOME TAX EXPENSE (continued)

The applicable average weighted tax rates are as follows:	2018	2017
	0%	0%
c. The following deferred tax balances have not been accounted for:		
	2018	2017
	\$	\$
Deferred tax assets:		
At 30%		
Carried forward revenue losses	*	2,179,027
Capital raising costs	*	9,850
Provisions and accruals	*	99,976
	<u> *</u>	<u>2,288,853</u>
At 20% (United Kingdom)		
Property, plant and equipment	*	24,381
Unrealised Foreign Exchange Loss	*	19,039
Rehabilitation Asset	*	226,904
Provisions and accruals	*	177,935
Carried forward overseas revenue losses	*	32,138,349
	<u> *</u>	<u>32,586,608</u>

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%		
Accrued income	*	108
	<u> *</u>	<u>108</u>
At 20% (United Kingdom):		
Accrued income	*	6,640
	<u> *</u>	<u>6,640</u>

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.

*As a result of the administration process the Company is unable to accurately assess the deferred tax asset not brought to account attributable to carry forward tax losses. While no value has been attributed to carry forward tax losses at this time, the Company will in due course undertake a comprehensive review to assess whether or not any value can be realised from past tax losses.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

NOTE 8: KEY MANAGEMENT PERSONNEL COMPENSATION

a. Key management personnel compensation

	2018	2017
	\$	\$
The key management personnel compensation comprised:		
Short term employment benefits	518,132	1,366,416
Share based payments	228,475	296,600
Post employment benefits	10,623	402,816
	<u>757,230</u>	<u>2,065,832</u>

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 9: AUDITORS' REMUNERATION

	2018	2017
	\$	\$
Remuneration of the auditor of the parent entity for:		
- Auditing and reviewing the financial report	*	108,000
- Taxation services	*	7,660
Remuneration of the auditors of the subsidiary for:		
- Auditing and reviewing the financial report	*	62,063
	<u>108,000</u>	<u>177,723</u>

* As detailed in the Incomplete Records section of Note 1, current management have reconstructed the financial records of the Group based on the limited information that has been made available to them.

NOTE 10: LOSS PER SHARE

a. Loss used to calculate basic and dilutive EPS	<u>(56,748,264)</u>	<u>(74,536,641)</u>
	2018	2017
	No	No
b. Weighted average number of ordinary shares on issue during the year used in the calculation of basic EPS	1,088,389,358	1,084,425,200
c. Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	1,088,389,358	1,084,425,200

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

NOTE 11: CASH AND CASH EQUIVALENTS

	2018	2017
	\$	\$
Cash at bank and on hand	19,752,446	8,255,188
Short term bank deposits	79,343	78,474
	<u>19,831,789</u>	<u>8,333,662</u>

The effective interest rate on cash at bank and on hand and short-term bank deposits was 1.45% (2017: 1.45%) 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	<u>19,831,789</u>	<u>8,333,662</u>
---------------------------	-------------------	------------------

NOTE 12: TRADE AND OTHER RECEIVABLES

Trade Debtors	1,372,802	1,484,799
GST receivable	29,201	20,351
VAT receivable	1,651,277	822,976
	<u>3,053,280</u>	<u>2,328,126</u>

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 13: INVENTORIES

Consumables – at cost	7,497,530	3,098,154
	<u>7,497,530</u>	<u>3,098,154</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

	2018		2017	
	Fair value of asset	Fair value of liability	Fair value of asset	Fair value of liability
NOTE 14: DERIVATIVE FINANCIAL INSTRUMENTS				
Current				
Amortising interest rate swaps	-	34,803	-	-
Forward foreign exchange contracts - cash flow hedges	-	-	-	4,202,631
Total Current	-	34,803	-	4,202,631
Non-Current				
Amortising interest rate swaps	-	-	-	366,877
Forward foreign exchange contracts - cash flow hedges	-	-	-	-
Total Non-Current	-	-	-	366,877

As a result of matters disclosed in the Incomplete Records section of Note 1, the above balances for 30 June 2018 have been obtained from the limited accounting records that have been made available to current management; therefore, the disclosures presented above may not be in accordance with the relevant accounting standards.

	2018	2017
	\$	\$
NOTE 15: OTHER ASSETS		
Current		
Prepayments	331,935	495,370
Accrued interest	-	-
Other assets	-	36,127
	<u>331,935</u>	<u>531,497</u>
Non-Current		
Other assets ¹	<u>19,520,265</u>	<u>17,189,663</u>

¹ Other assets comprise a bond agreement and cash collateral deposits the Company 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 Company to the satisfaction of the UK authorities. The two major non-current collateral deposits are a £9.05 million restoration bond and a £0.75 million financial provision for the environmental waste permit.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
NOTE 16: PROPERTY, PLANT & EQUIPMENT		
Plant and equipment:		
At cost	*	162,660,199
Accumulated depreciation	*	(18,067,950)
Total plant and equipment	*	144,592,249
Motor vehicles:		
At cost	646,062	614,526
Accumulated depreciation	(539,683)	(445,882)
Total motor vehicles	106,379	168,644
Land and buildings		
At cost	*	127,758,344
Accumulated depreciation	*	(8,769,271)
Total land and buildings	*	118,989,073
Total property, plant and equipment	274,462,216	263,749,966

	Motor vehicles \$	Plant and equipment \$	Land and buildings \$	Total \$
Balance at 30 June 2016	297,987	160,436,587	116,107,111	276,841,685
Additions	-	4,595,618	15,399,576	19,995,194
Depreciation expense	(111,586)	(11,253,748)	(5,883,000)	(17,248,334)
Effect of foreign currency exchange differences	(17,757)	(9,186,208)	(6,634,614)	(15,838,579)
Balance at 30 June 2017	168,644	144,592,249	118,989,073	263,749,966
Additions	*	*	*	*
Depreciation expense	*	*	*	*
Effect of foreign currency exchange differences	*	*	*	*
Balance at 30 June 2018	106,379	*	*	274,462,216

* As detailed in the Incomplete Records section of Note 1, current management have reconstructed the financial records of the Group based on the limited information that has been made available to them.

	2018	2017
	\$	\$
NOTE 17: MINE PROPERTIES AND DEVELOPMENT		
Mine properties:		
At cost	6,733,938	6,349,227
Accumulated amortisation	(1,321,143)	(767,030)
Total mine development expenditure	5,412,795	5,582,197

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

NOTE 17: MINE PROPERTIES AND DEVELOPMENT (Continued)	Mine properties \$	Mine development \$	Total \$
Balance at 30 June 2016	5,474,647	-	5,474,647
Expenditure capitalised during the year	809,377	-	809,377
Amortisation	(388,158)	-	(388,158)
Effect of foreign currency exchange differences	(313,669)	-	(313,669)
Balance at 30 June 2017	5,582,197	-	5,582,197
Expenditure capitalised during the year	*	-	*
Amortisation	*	-	*
Effect of foreign currency exchange differences	*	-	*
Balance at 30 June 2018	5,412,795	-	5,412,795

Mine properties relates to the rehabilitation asset of the Drakelands Mine. The amortisation is recognised as part of cost of sales in the Statement of Profit or Loss and Other Comprehensive Income.

* As detailed in the Incomplete Records section of Note 1, current management have reconstructed the financial records of the Group based on the limited information that has been made available to them.

	2018 \$	2017 \$
NOTE 18: TRADE AND OTHER PAYABLES		
Current		
Trade payables ¹	15,416,670	13,662,144
Accrued borrowing costs	996,713	1,003,222
Sundry payables and accrued expenses	11,869,609	8,313,472
	<u>28,282,992</u>	<u>22,978,838</u>

¹ Trade and other payables are generally settled within 30 days.

NOTE 19: PROVISIONS	Mine rehabilitation¹ \$	Employee benefits \$	Total \$
Opening balance at 1 July 2017	6,716,715	256,010	6,972,725
Additional provisions	654,772	-	654,772
Provision reversed	-	(78,678)	(78,678)
Balance at 30 June 2018	<u>7,371,487</u>	<u>177,332</u>	<u>7,548,819</u>
		2018 \$	2017 \$
Analysis of total provisions			
Current		115,264	193,960
Non current		7,433,555	6,778,765
		<u>7,548,819</u>	<u>6,972,725</u>

¹The 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

NOTE 19: PROVISIONS (continued)

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.

As detailed in the Incomplete Records section of Note 1, current management have reconstructed the financial records of the Group based on the limited information that has been made available to them. The discount rate used in the calculation of the provision as at 30 June 2018 and the value of the undiscounted provision is not available.

	2018	2017
	\$	\$
NOTE 20: BORROWINGS		
Current		
Bridge loan facility	-	56,315,448
Senior secured loan	8,383,951	3,558,976
	<u>8,383,951</u>	<u>59,874,424</u>
Non-current		
Bridge loan facility	128,459,106	-
Senior secured loan	95,224,981	97,060,134
	<u>223,684,087</u>	<u>97,060,134</u>

As a result of matters disclosed in the Incomplete Records section of Note 1, the Bridge loan facility and Senior Secured loan payable balances for 30 June 2018 have been obtained from the limited accounting records that have been made available to current management. Therefore, the loan balances and related disclosures presented above may not be in accordance with the relevant accounting standards.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**NOTE 21: ISSUED CAPITAL**

		2018	2017
		\$	\$
NOTE 21: ISSUED CAPITAL			
1,090,084,333 (2017: 1,087,645,948) fully paid ordinary shares		274,244,487	274,080,313
		2018	2017
	No	\$	No
			\$
a.	Ordinary shares		
	At the beginning of reporting period	1,087,645,948	274,080,313
	Shares issued during the year		
-	22 December 2016	-	352,645
-	30 December 2016	-	506,638
-	3 April 2017	-	563,759
-	30 June 2017	-	641,221
-	Options/Rights exercised during the year	-	2,693,977
-	12 December 2017	483,315	-
-	27 December 2017	567,567	-
-	23 March 2018	672,000	-
-	29 June 2018	715,503	-
	Share issue expenses	-	-
	At reporting date	1,090,084,333	1,087,645,948
		274,244,487	274,080,313

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.

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.

During the term 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 Securities Exchange and which does not require notification to or a resolution of, the shareholders of the Parent Entity.

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 26 Share-based Payments.

For information relating to share options and performance rights issued to key management personnel during the financial year, refer to Note 26 Share-based Payments.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

NOTE 22: RESERVES

Share based payments reserve

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

	2018		2017	
	No	\$	No	\$
Balance 1 July	2,534,549	1,552,790	4,792,992	1,743,297
Issued during the year to key management personnel	3,104,637	268,500	3,447,368	218,138
Exercised during the year	-	-	(2,693,977)	(408,645)
Cancelled during the year	(152,778)	-	(3,011,834)	-
Expired during the year	(273,350)	(208,027)	-	-
Balance 30 June	<u>5,213,058</u>	<u>1,613,263</u>	<u>2,534,549</u>	<u>1,552,790</u>

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.

	2018	2017
	\$	\$
Balance 1 July	(1,811,892)	9,252,726
Foreign currency differences during the year	2,175,541	(11,064,618)
Balance 30 June	<u>363,649</u>	<u>(1,811,892)</u>

Cash flow hedge reserve

The cash flow hedge reserve records the effect of exchange and interest differences on the translation of hedged instruments.

	2018	2017
	\$	\$
Balance 1 July	(6,383,755)	(10,671,031)
Cash flow hedge, net of tax	7,165,595	4,287,276
Balance 30 June	<u>781,840</u>	<u>(6,383,755)</u>

NOTE 23: COMMITMENTS

As detailed in the Incomplete Records section of Note 1, current management have reconstructed the financial records of the Group based on the limited information that has been made available to them.

Following the effectuation of the DOCA on 11 November 2019, all liabilities, contingent liabilities, obligations, warranties and long-term commitments were released.

Current management does not have information regarding commitments as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

NOTE 24: 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 profit or loss and statement of financial position is the same as that presented to the chief operating decision makers.

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

NOTE 25: CASH FLOW INFORMATION

	2018 \$	2017 \$
a. Reconciliation of cash flow from operations with loss after income tax		
Net loss	(56,748,264)	(74,536,641)
Non cash flows in profit		
Depreciation	18,608,634	17,248,334
Financial instrument expense	3,680,895	7,607,347
Equity compensation benefits	207,496	388,900
Foreign exchange differences	233,448	296,783
Finance cost	24,513,792	8,442,310
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in trade and term receivables	(140,868)	1,071,974
(Increase)/decrease in inventories	(4,240,388)	(1,408,207)
(Increase)/decrease in prepayments	184,426	64,640
Increase/(decrease) in trade payables and accruals	2,996,099	2,523,147
Increase/(decrease) in provisions	(78,678)	(23,753)
Cash flow used in operations	<u>(10,783,405)</u>	<u>(38,325,166)</u>

NOTE 26: SHARE BASED PAYMENTS

Included under Corporate and technical services expense in the statement of profit or loss and other comprehensive income is \$228,475 (2017: \$311,234), 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.

Rights issued to key management personnel	2018		2017	
	Number of rights	Weighted average exercise price	Number of rights	Weighted average exercise price
Outstanding at the beginning of the year	2,534,549	-	4,792,992	-
Rights exercised	-	-	(2,693,977)	-
Granted	3,104,637	-	3,447,368	-
Rights lapsed	(152,778)	-	(3,011,834)	-
Rights expired	(273,350)	-	-	-
Outstanding at year end	5,213,058	-	2,534,549	-
Exercisable at year end	<u>5,213,058</u>	-	<u>2,534,549</u>	-

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

The weighted average contract life remaining at 30 June 2018 was:

- Rights 3.26 years

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

NOTE 26: SHARE BASED PAYMENTS (continued)

Performance Rights issued during the year

During the year ended 30 June 2018, the Company issued two tranche of performance rights, Issue 4 and Issue 5. Issue 4 and Issue 5 were granted on 7 December 2017 and consisted of 3,104,637 performance rights. The tranche was issued to employees in accordance with the Wolf Minerals Limited Performance Rights Plan as readopted by shareholders at the Annual General Meeting held on 28 November 2017.

The vesting of the performance rights is subject to the following conditions:

- a) 50% of performance rights will vest based on the Company's relative share price performance versus the AIM Basic Resources Index in accordance with a defined scale; and
- b) 50% of performance rights will vest based upon the Company's Total Shareholder Return (TSR) performance as measured over the vesting period.

The performance rights were valued by an independent third party using industry standard valuation techniques. The key inputs and valuations are summarised in the table below.

	Issue 5	
	a)	b)
Vesting conditions	*	*
Underlying security spot price	*	*
Exercise price	Nil	Nil
Valuation date	12/12/17	12/12/17
Expiration date	30/06/22	30/06/22
Performance period (years)	4.55	4.55
Volatility	*	*
Risk free rate	*	*
Dividend Yield	Nil	Nil
Number of performance rights	1,552,319	1,552,319
Valuation per performance right	*	*
Valuation per tranche	\$95,157	\$95,157

As at 30 June 2018, the unissued ordinary shares of Wolf Minerals Limited under options or rights are as follows:

Grant Date	Date of Expiry	Exercise Price	Number of Rights
28/11/14	30/06/19	\$0.00	261,130
16/11/15	30/06/20	\$0.00	1,086,394
22/12/16	30/06/21	\$0.00	760,897
07/12/17	30/06/21	\$0.00	168,258
07/12/17	30/06/22	\$0.00	2,936,379
			<u>5,213,058</u>

* As detailed in the Incomplete Records section of Note 1, current management have reconstructed the financial records of the Group based on the limited information that has been made available to them.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

NOTE 27: RELATED PARTY DISCLOSURES

- i. Interests in controlled entities are disclosed in Note 2.
- ii. No amounts in addition to those disclosed in Note 8 to the financial statements were paid or payable to Directors of the Company at the end of the year.
- iii. During the year, Wolf Minerals Limited invoiced Wolf Minerals (UK) Limited \$3,944,430 for management fees (2017: \$6,471,040). At 30 June 2018 \$1,685,438 of management charges remained unpaid.

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

NOTE 28: FINANCIAL RISK MANAGEMENT

a. **Financial Risk Management Policies**

The Consolidated Entity's financial instruments consist mainly of deposits with banks, other receivables, trade and other payables, loans to the UK based subsidiary and derivative financial instruments.

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 pounds sterling 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.

During previous periods the Consolidated Entity entered into forward foreign exchange contracts. These contracts are to hedge the variability in the highly probable cash flows associated with the US\$ receipts from future tungsten sales. The Consolidated Entity expects that there will be a close relationship between the hedge instrument (the FX forward contract) and the hedged item (US\$ drawdown and US\$ receipts).

The maturity, settlement amounts and the average contractual exchange rates of the Consolidated Entity's outstanding forward foreign exchange contracts at the reporting date was as follows:

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

NOTE 28: FINANCIAL RISK MANAGEMENT (continued)

Foreign currency risk (continued)

	Sell USD		Average exchange rates	
	2018	2017	2018	2017
	\$	\$		
Buy GBP				
Maturity:				
0 - 6 months	*	18,330,831	*	1.5260
6 - 12 months	*	14,907,224	*	1.3754
12+ months	*	-	*	-

The Consolidated Entity recognises the profits and losses resulting from currency fluctuations as and when they arise.

* As detailed in the Incomplete Records section of Note 1, current management have reconstructed the financial records of the Group based on the limited information that has been made available to them.

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. Further details regarding the Group's liquidity position is included within the Going Concern section of Note 1.

The table below summarises the maturity profile of the Consolidated Entity's financial liabilities based on contractual undiscounted payments.

	Less than 1 Year \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Total \$	Carrying Amount \$
30 June 2018						
Trade and other payables	28,282,992	-	-	-	28,282,992	28,282,992
Interest-bearing borrowings	-	-	-	-	-	-
	<u>28,282,992</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,282,992</u>	<u>28,282,992</u>
	Less than 1 Year \$	Between 1 & 2 years \$	Between 2 & 5 years \$	Over 5 years \$	Total \$	Carrying Amount \$
30 June 2017						
Trade and other payables	22,978,838	-	-	-	22,978,838	22,978,838
Interest-bearing borrowings	62,697,392	13,208,520	50,039,970	39,711,924	165,657,806	156,934,558
	<u>85,676,230</u>	<u>13,208,520</u>	<u>50,039,970</u>	<u>39,711,924</u>	<u>188,636,644</u>	<u>179,913,396</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

NOTE 28: FINANCIAL RISK MANAGEMENT (continued)

Financing arrangements

The borrowing facilities in place at the reporting date are disclosed in Note 20.

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 consolidated 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

Commodity price risk is the risk that the Group's future earnings will be adversely impacted by changes in the market prices of commodities, primarily tungsten. Management is aware of this impact on its primary revenue stream but knows that there is little it can do to influence the price earned apart from a hedging scheme.

The Group's Treasury policy allows for hedging of highly probable cash flows associated with the US Dollar receipts from future tungsten sales up to a maximum of 50% of the Group's rolling 24 month production. This policy allows management to combine the benefits of an exposure to the tungsten price for its shareholders whilst also facilitating the ability for management to put in place limited hedging to cover the cost base.

The following table details the Group's sensitivity to a 10% increase and decrease in the tungsten price against the invoiced price. 10% is the sensitivity used when reporting commodity price internally to management and represents management's assessment of the possible change in price. A positive number below indicates an increase in profit for the year and other equity where the price increases.

The Group holds the following financial instruments:

	2018	2017
	\$	\$
10% increase in tungsten price	4,297,407	2,061,525
10% decrease in tungsten price	(4,297,407)	(2,061,525)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

NOTE 28: FINANCIAL RISK MANAGEMENT (continued)

Price risk (continued)

The Group holds the following financial instruments:

	2018	2017
	\$	\$
Financial assets:		
Cash and cash equivalents	19,831,789	8,333,662
Trade and other receivables	3,053,280	2,328,126
Other current assets	-	36,127
Other non-current assets	19,520,265	17,189,663
Total financial assets	<u>42,405,334</u>	<u>27,887,578</u>
Trade and other receivables are expected to be received as follows:		
Less than 1 month	3,053,280	2,328,126
Less than 6 months	<u>-</u>	<u>-</u>
Financial liabilities:		
Trade and sundry payables	28,282,992	22,978,838
Interest bearing liabilities	232,068,088	156,934,558
Derivative financial instruments	34,803	4,569,508
Total financial liabilities	<u>260,385,883</u>	<u>184,482,904</u>
Trade and sundry payables are expected to be paid as follows:		
Less than 1 month	28,282,992	22,978,838
Less than 6 months	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

NOTE 28: FINANCIAL RISK MANAGEMENT (continued)

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 Interest Rate		Non Interest Bearing	
	2018	2017	2018	2017	2018	2017
	%	%				
FINANCIAL ASSETS						
Cash at bank and on hand	1.45	1.45	19,831,789	8,333,662	-	-
Receivables	-	-	-	-	3,053,280	2,328,126
Other current assets	-	-	-	-	-	36,127
Other non-current assets	-	-	-	-	19,520,265	17,189,663
Total financial assets			<u>19,831,789</u>	<u>8,333,662</u>	<u>22,573,545</u>	<u>19,553,916</u>
FINANCIAL LIABILITIES						
Payables	-	-	-	-	28,282,992	22,978,838
Interest bearing liabilities	*	4.67	232,068,038	156,934,558	-	-
Derivative financial instruments	-	-	-	-	39,803	4,569,508
Total financial liabilities			<u>232,068,038</u>	<u>156,934,558</u>	<u>28,322,795</u>	<u>27,548,346</u>

Interest Rate Sensitivity Analysis

At 30 June 2018, 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:

	2018	2017
	\$	\$
Change in profit		
Increase in interest rate by 0.5% (50 basis points)	*	(209,941)
Decrease in interest rate by 0.5% (50 basis points)	*	209,941
Change in equity		
Increase in interest rate by 0.5% (50 basis points)	*	(209,941)
Decrease in interest rate by 0.5% (50 basis points)	*	209,941

* As detailed in the Incomplete Records section of Note 1, current management have reconstructed the financial records of the Group based on the limited information that has been made available to them.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

NOTE 28: FINANCIAL RISK MANAGEMENT (continued)

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.

During previous periods, the Consolidated Entity entered into forward foreign exchange contracts. These contracts are to hedge the variability in the highly probable cash flows associated with the US\$ receipts from future tungsten sales. The Consolidated Entity expects that there will be a close relationship between the hedge instrument (the FX forward contract) and the hedged item (US\$ receipts).

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	2018	2017	2018	2017
Consolidated	\$	\$	\$	\$
Pounds sterling	*	7,985,116	*	108,749,424
US dollars	*	231,022	*	-
	*	8,216,138	*	108,749,424

	2018	2017
	\$	\$
Change in profit		
Improvement in AUD by 5%	*	5,026,664
Decline in AUD by 5%	*	(5,026,664)
Change in equity		
Improvement in AUD by 5%	*	5,026,664
Decline in AUD by 5%	*	(5,026,664)

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

* As detailed in the Incomplete Records section of Note 1, current management have reconstructed the financial records of the Group based on the limited information that has been made available to them.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

NOTE 29: FAIR VALUE MEASUREMENT

Fair value hierarchy

The following tables detail the Consolidated Entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

30 June 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<i>Liabilities</i>				
Amortising interest rate swaps	-	34,803	-	34,803
Forward foreign exchange contracts	-	-	-	-
Total liabilities	-	34,803	-	34,803
30 June 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<i>Liabilities</i>				
Amortising interest rate swaps	-	366,877	-	366,877
Forward foreign exchange contracts	-	4,202,631	-	4,202,631
Total liabilities	-	4,569,508	-	4,569,508

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2.

Level 2 hedging derivatives comprise forward foreign exchange contracts, forward foreign exchange options and interest rate swaps. These forward foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market. Interest rate swaps are fair valued using forward interest rates extracted from observable yield curves. The effects of discounting are generally insignificant for Level 2 derivatives.

This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

NOTE 30: PARENT ENTITY DISCLOSURES

Financial position	2018	2017
Assets	\$	\$
Current assets	1,902,626	57,613,431
Non-current assets	38,613	313,773,215
Total assets	<u>1,941,239</u>	<u>371,386,646</u>
Liabilities		
Current liabilities	131,314,260	57,709,913
Non-current liabilities	62,068	62,050
Total liabilities	<u>131,376,328</u>	<u>57,771,963</u>
Net assets	<u>(129,435,089)</u>	<u>313,614,683</u>
Equity		
Issued capital	274,244,488	274,080,314
Equity settled benefits	1,613,263	1,552,789
Accumulated losses	<u>(405,292,840)</u>	<u>37,981,580</u>
Total equity	<u>(129,435,089)</u>	<u>313,614,683</u>
Financial performance	2018	2017
	\$	\$
Profit/(loss) for the year	(415,588,522)	(1,148,249)
Other comprehensive income	-	-
Total comprehensive income	<u>(415,588,522)</u>	<u>(1,148,249)</u>

As detailed in the Incomplete Records section of Note 1, current management have reconstructed the financial records of the Group based on the limited information that has been made available to them.

Following the effectuation of the DOCA on 11 November 2019, all liabilities, contingent liabilities, obligations, warranties and long-term commitments were released.

Apart from the above, there are no contractual commitment, guarantees and contingent liabilities as at 30 June 2018.

NOTE 31: DIVIDENDS

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

NOTE 32: CONTINGENT ASSETS AND LIABILITIES

As detailed in the Incomplete Records section of Note 1, current management have reconstructed the financial records of the Group based on the limited information that has been made available to them.

Following the effectuation of the DOCA on 11 November 2019, all liabilities, contingent liabilities, obligations, warranties and long-term commitments were released.

There are no contingent assets and contingent liabilities as at 30 June 2018.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

NOTE 33: EVENTS AFTER THE REPORTING DATE

On 10 October 2018, the Board of Directors resolved to place the Company into voluntary administration and appointed Martin Jones and Ryan Eagle of Ferrier Hodgson as voluntary administrator of the Company. Following appointment of the administrators, the powers of the Company's officers (including Directors) were suspended and the administrators assumed control of the Company's business, property and affairs.

On 17 October 2018, Wolf Minerals (UK) Limited was ordered to be wound up under the provisions of the UK Insolvency Act 1986. The petition was presented by the Directors (Petitioners) of Wolf Minerals (UK) Limited and the matter was heard in the High Court of Justice in the United Kingdom.

On 13 February 2019, the Company announced that at a meeting of creditors held on 21 January 2019, the creditors resolved that the Company execute a deed of company arrangement ("DOCA") and that Martin Jones and Ryan Eagle be appointed as administrators of the deed of company arrangement ("Deed Administrator"). The DOCA embodied a proposal by First Guardian Synergy Capital Pty Ltd ("Proponent") for the recapitalisation of the Company ("Recapitalisation Proposal").

A recapitalisation proposal typically involved injection of new cash into a company that is either in financial distress or has been placed into voluntary administration. In the ordinary course, the entity will retain some or all of its assets and seek reinstatement to trading following completion of the recapitalisation.

A summary of the material terms of the Recapitalisation Proposal as contained in the executed amended DOCA is set out below.

1. The Company and the Deed Administrator will establish the Creditors' Trust, with the Deed Administrator acting as trustee.
2. The assets of the Company will be transferred into the Creditors' Trust.
3. The Company will consolidate its existing shares on a one (1) for two hundred and fifty (250) basis.
4. The issue of 80m shares at an issue price of \$0.01 plus 5 free attaching options per share, in each case on a post-consolidation basis, to the Proponent (to be conducted on implementation of the DOCA).
5. The issue of 80m shares at an issue price of \$0.01 to sophisticated or professional investors identified or introduced by the Proponent (to be conducted within three months of shareholder approval)
6. The proponent will provide a creditor cash contribution of \$800,000

Conditions precedent for the completion of the DOCA include:

1. The Company obtaining resolutions of the shareholders of the Company approving the capital structure changes referred to above, in each case as required pursuant to the Act and the ASX Listing Rules.
2. Such consents required to transfer the Company's subsidiary interests to the Trust Fund.
3. Any other regulatory approvals required to complete the above.

As at 11 November 2019, all key conditions precedent had been satisfied and the Deed of Company Arrangement was effectuated. The new Board of Directors was appointed on 11 November 2019. The Company is in the process of being recapitalised, which will involve an acquisition, capital raising, share consolidation, re-compliance with Chapter 1 and 2 of the ASX Listing Rules, and subsequently an ASX relisting.

NOTE 34: COMPANY DETAILS

The registered office and principal place of business address is:

Level 28
108 St Georges Terrace
Perth WA 6000

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	Distribution of holders
Category (size of holding)	
1 – 1,000	1,112
1,001 – 5,000	36
5,001 – 10,000	12
10,001 – 100,000	13
100,001 – and over	4
	1,177

b. There are no shareholdings in less than marketable parcels.

c. The names of the substantial shareholders listed in the holding company's register as at 24 November 2019 are:

Shareholder	Number Ordinary
SYNERGY INV LTD	80,000,000

d. 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.

e. 20 Largest Shareholders – Ordinary Shares

Name	Number of Ordinary Fully Paid Shares Held	Percentage of Ordinary Fully Paid Shares Held
1. SYNERGY INV LTD	80,000,000	94.83%
2. MERRILL LYNCH AUST NOM PL	2,439,555	2.89%
3. TTI NZ LTD	1,045,282	1.24%
4. HSBC CUSTODY NOM AUST LTD	225,754	0.27%
5. HARGREAVES LANSDOWN NOM L <HLNOM A/C>	51,769	0.06%
6. HARGREAVES LANSDOWN NOM L <15942 A/C>	50,653	0.06%
7. INVESTING BARCLAYS D	39,876	0.05%
8. HSDL NOM LTD	39,373	0.05%
9. HARGREAVES LANSDOWN NOM L <VRA A/C>	27,957	0.03%
10. INTERACTIVE INVESTORS SVCS <SMKTNOMS A/C>	25,974	0.03%
11. INTERACTIVE INVESTORS SVCS <SMKTISAS A/C>	24,315	0.03%
12. HSBC CLIENT HLDGS NOM UK <731504 A/C>	23,017	0.03%
13. SHARE NOM LTD	13,718	0.02%
14. LAWSHARE NOM LTD	13,175	0.02%
15. INTERACTIVE BROKERS LLC <IBLLCR A/C>	11,412	0.01%
16. J P MORGAN NOM AUST PL	11,336	0.01%
17. TRANSACT NOM LTD <INTEGRA1 A/C>	10,537	0.01%
18. BNP PARIBAS NOM PL <IB AU NOMS RETAILC>	9,692	0.01%
19. JIM NOM LTD <JARVIS A/C>	8,178	0.01%
20. HSDL NOM LTD	7,972	0.01%
	84,079,545	99.67%

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

1. The name of the company secretary is Bill Weiping Lee.
2. The address of the principal registered office in Australia is:

Level 28
108 St Georges Terrace
Perth WA 6000
3. Registers of securities are held at the following address in Western Australia is:

Security Transfer Australia
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.
5. Unquoted Securities

Ordinary Shares
Nil.

Options over Unissued Shares
Nil