



## Quarterly Activities Report

For the Three Months Ended 31 December 2014

Specialty metals development company, Wolf Minerals Limited (ASX: WLF, AIM: WLFE) ("**Wolf**" or "**the Company**") is pleased to provide the following update on its Drakelands open pit mine ("**Drakelands**") currently being constructed at the Company's world class Hemerdon tungsten and tin project ("**the Project**") in Devon, southwest England, for the three month period to 31 December 2014.

### Highlights for the December 2014 quarter include:

- ✓ Construction of Project 67% complete as at quarter end.
- ✓ Construction remains on track and fully funded with dry commissioning scheduled to commence in March 2015, and production expected Q3, 2015.
- ✓ Development expenditure of A\$50.3 million for the quarter.
- ✓ Geotechnical diamond drill programme completed with potential to increase ore reserves by 15% to 23% within existing planning permission.
- ✓ Laboratory Services and Power Supply contracts awarded for the Project.

Commenting on the December quarter performance, Wolf's Managing Director, Russell Clark said:

*"This has been another successful quarter for Wolf. The Project remains fully funded and construction activity remains on track, with dry commissioning scheduled to commence in March 2015. Contracts for power and laboratory services have been finalised and the establishment of our employee team is progressing well, with key technical personnel now in place. In addition we have completed the geotechnical drilling programme with the results highlighting great potential to increase both our ore reserves and mine life."*

**Wolf Minerals Limited**  
**ASX: WLF      AIM: WLFE**

### Capital Structure

807.8M ordinary shares  
7.1 M unlisted options

Mkt Cap @ 23.5c: ~A\$189.8M  
Mkt Cap @ 12.88p: ~£104.1M

### Board of Directors

John Hopkins  
Non-Executive Chairman

Russell Clark  
Managing Director

Ronnie Beevor  
Non-Executive Director

Nick Clarke  
Non-Executive Director

Chris Corbett  
Non-Executive Director

Don Newport  
Non-Executive Director

Michael Wolley  
Non-Executive Director

Pauline Carr  
Richard Lucas  
Joint Company Secretaries

**Contact:** [www.wolfminerals.com.au](http://www.wolfminerals.com.au)

Russell Clark  
Managing Director  
Wolf Minerals Ltd.  
Level 3, 22 Railway Road  
Subiaco WA 6008  
Ph: +61 (0) 8 6364 3776  
E: [managingdirector@wolfminerals.com.au](mailto:managingdirector@wolfminerals.com.au)

James Moses  
Media & Investor Relations  
Ph: +61 (0) 420 991 574  
E: [james@mandatecorporate.com.au](mailto:james@mandatecorporate.com.au)

Tim Thompson  
Threadneedle Communications  
Ph: +44 (0) 20 7653 9855  
E: [T.Thompson@newgatethreadneedle.com](mailto:T.Thompson@newgatethreadneedle.com)



## Continued Draw-down of £75M Senior Debt Finance

During the quarter Wolf drew-down £17.5 million of the £75 million senior debt finance facilities to fund the construction of the Project, and at the end of the quarter a total of £27.5 million had been drawn.

The senior debt finance facilities comprise a £70 million term loan facility and a £5 million bond facility, and have been provided by a consortia of leading, global mining financiers; UniCredit Bank AG, London Branch, ING Bank N.V. and Caterpillar Financial SARL.

The Project remains fully funded from existing facilities available to the Company through construction and to positive cash flow.

## Project Construction Update

The construction of the Project commenced in February 2014.

The Company is pleased to advise that, as at the end of the December 2014 quarter, construction was 67% complete and remains on schedule. The Project's Engineering-Procurement-Construction ("**EPC**") contractor, GR Engineering Services Limited (ASX:GNG) ("**GRES**"), expects to commence dry commissioning of the plant in March 2015, with the hand over to Wolf scheduled for the third quarter of 2015.

By the end of the December 2014 quarter, significant further progress had been made at the site including:

- Continued progress on the Mine Waste Facility. This facility accommodates the waste from both the mine and the processing plant and is one of the key components of the Project. As expected, construction of the facility has slowed during the winter months and is still on track to be available for the scheduled plant commissioning.
- All structural concrete pours are now complete.
- Structural steel erection is well underway and is 44% complete.
- All plant equipment has been delivered to site or is in transit to site, allowing for immediate installation as the foundations or supporting steelwork becomes available.
- Administration, laboratory and amenities buildings have been completed and will be commissioned in early 2015.

- Development of the open pit continued with the excavation waste used in the construction of the Mine Waste Facility. There is no overburden removal required to access the orebody, as it is exposed at surface from historic operations.
- Over 100,000 tonnes of ore have been stockpiled at the mine. This ore was extracted during the mining of waste used for the construction of the Mine Waste Facility and will form the basis of the initial feed to the processing plant.
- Recruitment of key professional staff has continued with the Company having 37 employees working directly for Wolf Minerals (UK) Limited at the end of the December quarter with a number of new recruits to start in January 2015.
- At the end of December there were over 350 people working at the project site.
- Tree planting and stone wall reconstruction activities commenced during the quarter, with 40,000 trees to be planted by June 2015.

The total development expenditure for the December 2014 quarter was A\$50.3 million with the majority related to payments for construction progress to the EPC contractor and the mining contractor.

### **Geotechnical Diamond Drilling Programme Completed**

As reported in the September 2014 quarterly report, the Company has undertaken a geotechnical diamond drill programme around the perimeter of the open pit, designed to provide more comprehensive data on the waste rock. The aim of the programme is to assess the potential to steepen the pit walls within the existing Planning Permission which will allow for a deeper pit and an increase in ore reserves.

The six hole geotechnical drilling programme was completed during the December 2014 quarter, with initial analysis suggesting potential to increase ore reserves by between 15% to 23% within the existing planning permission (refer to announcement dated 1 December 2014). Detailed design and re-assessment of ore reserves will be undertaken during the current quarter.

### **Assay Laboratory Services Contract Awarded**

During the quarter Wolf finalised and awarded the Assay Laboratory Services contract for the Project to SGS (refer to announcement dated 22 December 2014).

Under the terms of the contract SGS will provide all the necessary assay laboratory services at the Project for a five year period. Services will include the assay of grade control samples, process plant samples and final product samples. SGS will also provide verification and certification of the products being sent to customers.

SGS is the world's leading inspection, verification, testing and certification company and has more than 80,000 employees and more than 1,650 offices and laboratories around the world.

### **Power Supply Contract Awarded**

Subsequent to the quarter, the Company announced it had finalised and awarded the Power Supply contract for the Project to DONG Energy (refer announcement dated 6 January 2015).

DONG Energy is 59% owned by the Danish Government and its UK businesses include offshore wind power, exploration and the production of oil and gas.

The contract was awarded following a tender process conducted by The Energy Services Partnership Ltd. Under the contract DONG Energy will supply a projected 82GWh to the operation for a three year period.

Both the forecast power prices and the assaying costs, from the Assay Laboratory contract, are in line with estimates contained in the Definitive Feasibility Study of May 2011, and will contribute to Wolf being a low cost tungsten producer.

### **Construction Progress - On-site Time Lapse Photography**

The Company's website has time lapse photography showing the progress of both the processing plant site and mine site which can be seen at:

<http://wolfminerals.com.au/content/page/live-streaming-video.html> :

*The following photographs illustrate the progress in the construction of the processing plant since June 2014*

*Image 1: Processing plant site as at 30 June 2014:*



*Image 2: Processing plant site as at 30 September 2014:*





*Image 3: Processing plant site as at 31 December 2014:*



*Image 4: Aerial view of processing plant site as at December 2014:*



## Mining Tenements

As at 31 December 2014, the Company has an interest in the following projects:

Tenement	Location	Interest	Status	Grant Date
Hemerdon	United Kingdom	100%	Leased	10/02/2014

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

## Planned Upcoming Activities

In the March 2015 quarter, Wolf will continue to progress the development of the Project, with a focus on construction leading to dry commissioning of the processing plant. Details of proposed activities include:

- Progressing the structural steel erection and mechanical equipment installation.
- Progressing the construction of the Mine Waste Facility.
- Commencement of dry commissioning of the processing plant.
- Recruitment of operations personnel.
- Finalisation of geotechnical design work for the open pit and re-assessment of ore reserves.
- Extensive tree-planting program.

## Corporate

There were no shares issued during the quarter, however the Company issued the following options and performance rights:

- Two tranches of 1,461,429 and 1,491,989 performance rights to senior executives as part of the Company's long term incentive plan, including vesting conditions set by the Board. The performance rights have a vesting date of 30 June 2016 and 30 June 2017 respectively (refer ASX announcement dated 28 November 2014).

- 850,000 unquoted options to a senior executive as part of an incentive to achieve the prescribed performance Project milestones set by the Board. The options are exercisable at A\$0.34 and expire on 30 November 2015 (refer announcement dated 19 December 2014).

During the quarter, Ms Pauline Carr was appointed as Joint Company Secretary and Mr Will Goodwin was appointed as an Alternate Director to act for Mr Michael Wolley, a non-executive Director, at any meeting of Directors which Mr Wolley is unable to attend.

The Company's Annual General Meeting was held on 21 November 2014, with all resolutions approved.

### **Promotion and Marketing**

The Company continues with its program of targeted investor relations activities to build awareness of the Project with presentations in Australia, Asia and Europe during the quarter.

Wolf refreshed both its web site ([www.wolfminerals.com.au](http://www.wolfminerals.com.au)) and its corporate video (located on the home page of the website) during the quarter.

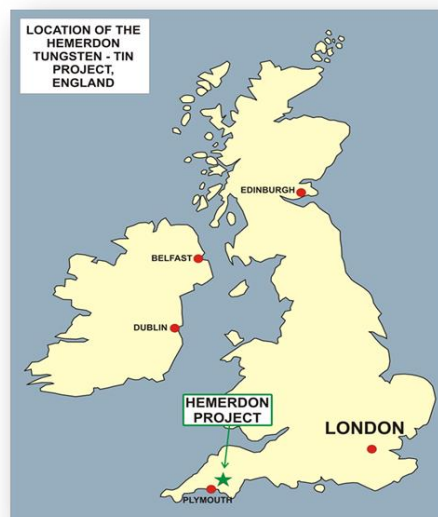
The Company's latest Investor Presentation is available, via the following link:

<http://www.wolfminerals.com.au/content/page/presentations.html>



## About Wolf Minerals

Wolf Minerals is a dual listed (“**ASX: WLF**”, “**AIM: WLFE**”) specialty metals company. With global demand for tungsten rising and future global production expected to be constrained, Wolf Minerals is developing the third largest global tungsten resource at its Hemerdon project, located in southwest England (see Project location map). The Company has strong cornerstone investors and project finance and environmental permitting is in place. Wolf has also secured all major contracts for the project, with GR Engineering appointed as the EPC contractor and CA Blackwell being awarded the Mining contract. Production is expected to commence in mid-2015.



**Hemerdon Tungsten-Tin Project Location Map**

ENDS

Russell Clark

Managing Director, Email: [managingdirector@wolfminerals.com.au](mailto:managingdirector@wolfminerals.com.au)