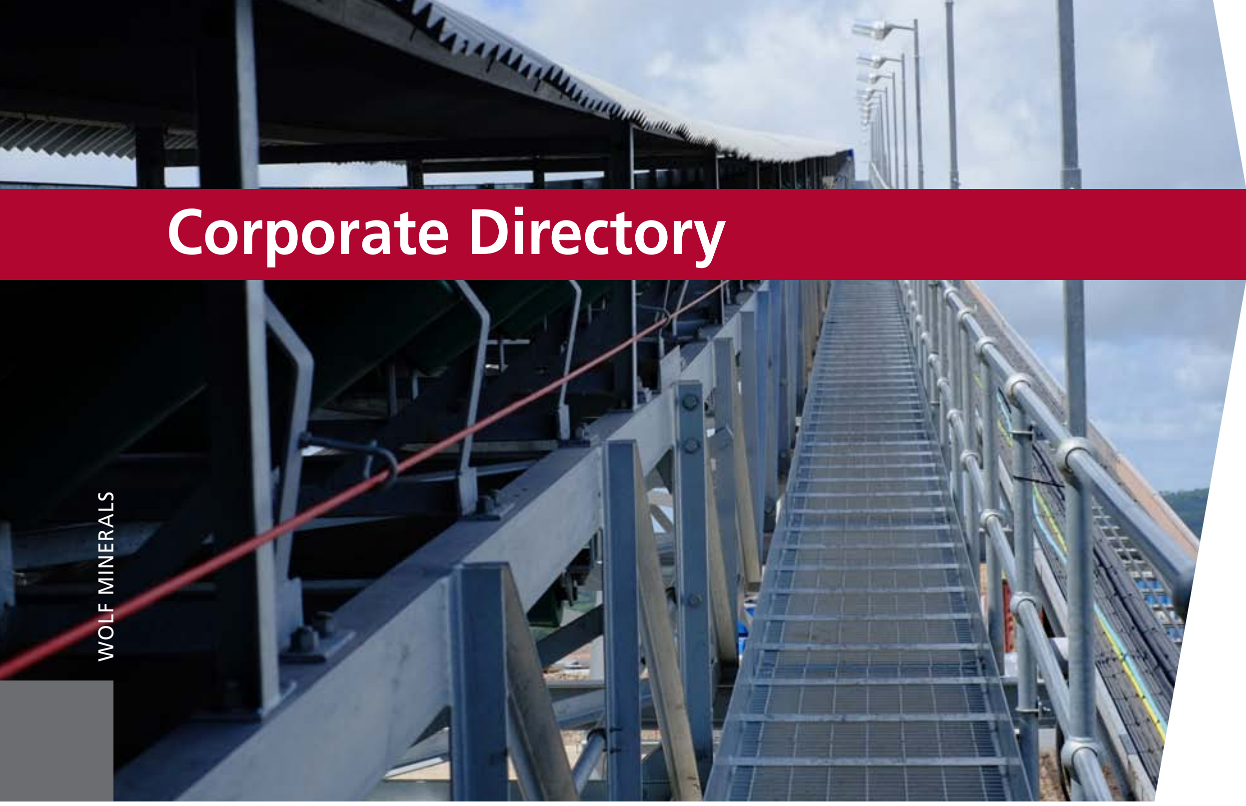
WOLF Minerals Limited

2015

Annual Financial Report



Corporate Directory

WOLF MINERALS LIMITED

ABN: 11 121 831 472

NON EXECUTIVE CHAIRMAN

John Hopkins OAM

EXECUTIVE MANAGING DIRECTOR

Russell Clark

NON EXECUTIVE DIRECTORS

Ronnie Beevor
Nick Clarke
Chris Corbett
Don Newport
Michael Wolley

ALTERNATE DIRECTOR

William Goodwin
(Alternate Director for Mr Wolley)

CHIEF FINANCIAL OFFICER

Richard Lucas

JOINT COMPANY SECRETARIES

Richard Lucas
Pauline Carr

PRINCIPAL & REGISTERED OFFICE

Level 3, 22 Railway Road
SUBIACO WA 6008

AUDITORS

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

LAWYERS

Steinepreis Paganin
Level 4, 16 Milligan Street
PERTH WA 6000

SHARE REGISTRAR

Security Transfer Registrars Pty Ltd
770 Canning Hwy
APPLECROSS WA 6153

UK DEPOSITORY

Computershare Investor Services PLC
The Pavilions, Bridgwater Road
Bristol BS99 6ZZ

STOCK EXCHANGE LISTINGS

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

Alternative Investment Market
London Stock Exchange
Code: WLFE

BANKERS

National Australia Bank
50 St Georges Terrace
PERTH WA 6000

WEBSITE

www.wolfminerals.com

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Chairman's Letter

Dear Shareholder

It's with a great sense of achievement that I write to you in this Annual Report.

The 2015 financial year has been another transformational one for Wolf Minerals Limited ("Wolf" or "the Company") and your Board is very pleased with the progress made at Wolf's core project, the Hemerdon tungsten and tin project ("the Project") where construction has been completed on schedule and within budget.

This is a significant achievement and management is congratulated on its efforts to produce this result, and to produce it safely whilst also working successfully with the critical aspects of environmental management and community engagement.

Commissioning of the processing plant is nearing completion, with successful tungsten concentrate production achieved. The subsequent throughput test is underway and the processing plant is expected to be transferred across to Wolf in September 2015. The processing plant will now be gradually ramped to full production, expected in early 2016.

Whilst the construction of the project has been the primary focus, the Company has also been exploring ways to increase shareholder value, with two initiatives in particular achieving this aim in the last year.

In late 2014, geotechnical drilling was undertaken around the perimeter of the open pit at Drakelands, to better understand the composition of the wall rocks, with a view to steepening the pit walls and accessing more ore. The work was successful and as a result a deeper pit, with steeper walls, has been designed and the ore reserves were increased by 9.5 million tonnes or 34% - a significant increase.

The second initiative considered the operating hours that the processing plant is permitted to work under the planning permission issued in the 1980's in which operating hours were restricted to 5 ½ days per week. Management has worked closely with the Devon County Council and the local Parish Councils and reached agreement that a 6 month trial of 7 days per week operation be undertaken, with a view to continuing this if regulatory requirements, particularly concerning noise, are met.

A 7 days per week operation will result in a better environment to commission the processing plant, where continuous operations are preferable. A continuous operation also has the potential to lift production capability of the mine by around 25% - a very significant increase that would make Drakelands one of the biggest tungsten mines in the western world.

Like many commodity markets, the tungsten market has softened during the course of the last 12 months. Demand from some sectors and countries, such as the automotive industry in Europe and Japan, was steady. However the economic slowdown in China and fall in the oil price, resulted in a reduction in manufacturing and drilling activities globally and reduced the need for tungsten tools and drill bits. On the supply side, unlike some commodity markets such as coal, iron ore and oil, very limited new supply has entered the market in the last year and no substantial new supply, other than Wolf's production, is expected in the coming year.

The fundamentals for the tungsten market remain strong, with demand expected to consolidate and grow, and limited new supply coming to market. The Board remains confident that the tungsten market will strengthen and that Wolf will be well placed when it does, being potentially one of the biggest tungsten producers in the western world.

On behalf of the Board I thank our Managing Director, Russell Clark, and his senior management team Richard Lucas, Rupert McCracken and Jeff Harrison for their tireless efforts to make the Project a reality.

I also take this opportunity to thank our shareholders for their continuing support of the Company and of the Project. The Company raised equity in March of last year at $0.30 per share (16.3p) and it's gratifying to see that Wolf is one of the few resource stocks that has seen its share price rise over the past 12 months.

I wrote last year that our aim was to bring the Project in on time and on budget by the third quarter this year. Management has delivered and we look forward to opening the first new metal mine in the United Kingdom for over 45 years in September this year – a terrific achievement.

Yours sincerely

John Hopkins OAM
Non Executive Chairman

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 2015.

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

Russell Clark
Executive 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

William Goodwin
Alternate Director for Mr Wolley

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

PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial year was project development, 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 financial year.

OPERATING RESULTS

The consolidated loss of the Group after providing for income tax amounted to \$8,761,962 (2014: \$3,731,574).

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.

Managing Director's Review of Operations

This year has been another very busy and productive one as we have worked our way through the construction of the Project and into initial production at what is the United Kingdom's first new metal mine in over 45 years.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

Wolf's values emphasise the importance of safety, the environment and community engagement and it is very pleasing to report advances in all areas.

The site has regularly had over 500 people working at it on a daily basis for the past 12 months, and management of safety has been core. The Lost Time Injury Frequency Rate ("LTIFR") dropped from 13 to 3 over the year, whilst the Total Recordable Injury Frequency Rate ("TRIFR") dropped from 27 to 6, emphasising the success the Company has had in conveying the safety standards required at the site to employees and contractors. The Mining Contractor, CA Blackwell, completed the year without a medical treatment or lost time injury – an excellent achievement given the amount of mobile equipment that has been working at the site. Random drug and alcohol testing has been introduced to the site with very few issues.

The environmental obligations at the Project site are many and varied, and the team is to be congratulated on meeting the various environmental requirements on schedule and ahead of the commissioning date. These have included noise, dust and water monitoring regimes, the Environment Agency ("EA") approval to commission the Mining Waste Facility, the planting of over 40,000 trees, the building of bat shelters and eel races and the construction of dry stone walls around the site.

Of particular note is the ISO 14001 certification of the site – this recognises that the necessary environmental management systems are in place, which in turn provides comfort to the EA and our local stakeholders.

We take the proximity of our nearest neighbours very seriously and have two villages, Hemerdon and Sparkwell, within a kilometre of the site. We regularly attend local Parish Council meetings and endeavour to engage with the communities whenever appropriate. To that end there have been a number of open days where the Company has provided bus tours around the site, and these have been particularly well attended with excellent feedback. The Company has also helped with a number of local causes, such as providing defibrillators for each of the village halls. It was particularly pleasing to see the support of the Parish Councils for Wolf to move its operations to 7 days per week, rather than the 5 ½ days per week that was envisaged in the original planning permission. This will initially be for a 6 month trial period, and emphasises the goodwill that exists.

CONSTRUCTION

The primary focus for the year has been the construction of the Project, including the processing plant, the Mining Waste Facility, the laboratory and administration buildings and the necessary power and water infrastructure required at site.

GR Engineering Services ("GRES") has had an EPC (fixed term, fixed price) contract to build the processing plant. The design of the plant was completed in Australia by GRES, which has since been using English sub-contractors to build the plant. Despite the challenges of an English winter the plant was completed safely, on time, and on budget, with first ore fed into the plant in June this year as part of the wet commissioning process. Following successful commissioning of the processing plant, tungsten concentrate production has commenced.

Managing Director's Review of Operations *(cont.)*

CONSTRUCTION *(cont.)*

CA Blackwell constructed the Mining Waste Facility, built from waste rock from the mine to hold the waste material generated by the processing plant. The capacity of the Mining Waste Facility will be increased over the life of the mine, but it was critical that the first stage was completed on schedule to allow for the EA approval processes ahead of commissioning of the facility. It is a credit to the team that, despite difficult conditions in the winter, the first stage was completed in time.

SGS is providing laboratory services to the project and again it was critical that the laboratory be built, equipped and manned in time for commissioning. This was achieved with some experienced chemists previously working in Plymouth, joining the Wolf team.

The administration building has been built and occupied, bursting at the seams initially as many of our new employees undertook various training modules. With the management and administration team now established at the mine site, the Plymouth office that was previously being used has been vacated.

Water and power supply is critical to a mine site, and again the team has delivered a number of water storage facilities, dams and ponds, required for water storage and storm water mitigation to manage dirty water generated on the site during storm events.

Ground was broken at the site in March 2014 when construction began. At the end of June 2015, the construction of the site, with all of its various components, was completed allowing commissioning to commence on schedule, a terrific achievement.

SITE TEAM

As we have built the project we have had to hire a new workforce, and establish the culture that we want for the Company as we head into operations and commercial production. Wolf employs 110 people directly, and has been fortunate to have had more than enough suitably qualified applicants for the various roles that were available. We are very pleased with the team we have put together and I am confident that they will continue to deliver on our promises.

CORPORATE

The corporate team remains based in Perth, Western Australia, but travels regularly to London and Plymouth as required. Wolf is listed on the ASX, as well as the London AIM exchange, and our major shareholders are based in Australia. The team has been enhanced with the addition of a General Manager, Business Development, who will focus on managing arrangements with existing offtake partners and maximising the value of our production streams. Our focus has been on getting the Project built and producing, ahead of looking for other opportunities in the specialty metals sector, with a view to Wolf expanding beyond a single asset company.

EXPECTATIONS FOR 2016

As I have explained, the construction of the Project site is complete. Our initial focus in the 2016 financial year will be to complete handover of the processing plant, and then to ramp the throughput up from a 50% level to 100% over a period of 6 months, with full production scheduled for early calendar 2016. In addition, we will concentrate on ensuring that tungsten and tin recoveries are as or better than planned, and that our products meet the required specification. First delivery of tungsten concentrates to our two offtake partners, Global Tungsten & Powders and Wolfram Bergbau und Hutten, is scheduled for September 2015.

The site has permission to undertake a 6 month trial of 7 day per week operations. It is our goal to have this continue, which has the potential to increase the production of tin and tungsten concentrates by approximately 25%, adding significant shareholder value. We will be working with Devon County Council and the local Parish Councils with the aim of achieving this goal by the end of 2015.

EXPECTATIONS FOR 2016 *(cont.)*

In addition we are working with Devon County Council to extend the planning permission expiry date, to accommodate the increase in the ore reserves achieved earlier this year.

The development of the Mining Waste Facility capacity to meet production requirements over the life of the mine is essential and has been scheduled in advance to minimise working during the winter months. As part of this development, the Lee Moor road which runs along the bottom of the site will have to be relocated and this work will commence in the September quarter, with the aim of completing it within 12 months.

Whilst we are very fortunate to have established and well credentialed customers for our tungsten and tin concentrates, the potential to work 7 days per week in the processing plant provides an opportunity to increase our concentrate production significantly. As we produce on specification concentrates we will be looking to broaden our customer base and further develop our understanding of the tungsten market.

It's been an absolute pleasure to be leading the very capable Wolf team over the past 12 months and I congratulate them, and our contractors, on a job well done. I feel very confident that we will continue to deliver on our promises and that with a buoyant tungsten price, Hemerdon will be a very successful Project.

Russell Clark
Managing Director

Directors' Report *(cont.)*

Reserves and Resources Statement 2015

The 2015 Ore Reserves and Mineral Resources of Wolf Minerals Limited are summarised in the table below along with the 2014 Ore Reserves and Mineral Resources for comparison.

	2015			2014		
Category	Tonnes (Mt)	WO_3 Grade (%)	Sn Grade (%)	Tonnes (Mt)	WO_3 Grade (%)	Sn Grade (%)
Mineral Resources						
Measured	**39.9**	**0.18**	**0.02**	76.8	0.15	0.02
Indicated	**18.7**	**0.16**	**0.02**	40.3	0.13	0.02
Subtotal: (Meas+Ind)	**58.6**	**0.17**	**0.02**	117.1	0.14	0.02
Inferred	**86.6**	**0.14**	**0.02**	284.2	0.13	0.02
Total: (Meas+Ind+Inf)	**145.2**	**0.15**	**0.02**	401.3	0.13	0.02
Mineral Reserves						
Proved	**27.9**	**0.19**	**0.03**	23.5	0.19	0.03
Probable	**7.8**	**0.15**	**0.02**	3.2	0.18	0.03
Total:	**35.7**	**0.18**	**0.03**	26.7	0.19	0.03

All figures reported above a 0.063% WO_3 cut-off, table subject to rounding errors.

The information in the table above was drawn from the following ASX Releases:

Item	Release Date
34% increase in Ore Reserves	25/03/2015
Hemerdon Tungsten and Tin Project Definitive Feasibility Study Results	16/05/2011
Major Resource Upgrade	10/06/2010

All Mineral Resources and Ore Reserves have been estimated based upon the most up to date information and knowledge available at the time. The Resource and Reserve statements and their accompanying explanatory notes can be viewed at: www.wolfminerals.com

HEMERDON 2015 ORE RESERVES AND MINERAL RESOURCES ESTIMATE SUMMARY

The 2015 Ore Reserve is 35.7Mt at 0.18% WO_3 and 0.03% Sn (reported above a 0.063% WO_3 cut-off), and is a 34% increase on the previous Ore Reserve reported in the Definitive Feasibility Study ("DFS") in 2011. It comes as a result of a six hole geotechnical drilling program which targeted the perimeter of the open pit, completed in Q4, 2014 (refer to the announcement dated 1 December 2014). The program has been successful and concluded that the pit walls can be steepened. This has resulted in a pit design revision that takes the pit floor approximately 65 metres deeper, increasing the Ore Reserves by 34% as shown in the table above. This equates to a 34% increase in mine life or around three years (assuming a five and a half day working week).

The geotechnical report was prepared by Mr Ricky Collins of SLR Consultants. SLR has particular expertise in the geotechnical investigation, analysis and design of rock slopes of mines, tips, landfills and dams. Mr Collins is a Technical Director of SLR with over 25 years' experience with mine waste management and geotechnics, focusing on the stability analysis of both soil and rock slopes.

The increase in pit depth is such that it extends into Inferred material below the bottom of the majority of the drill holes in the deposit. As such the current pit design includes granite mineralisation that cannot be reported as Ore Reserves under JORC 2012 guidelines. However, Wolf intends to undertake additional work to increase the confidence of the resource at depth, resulting in the potential to further increase the 2015 Ore Reserves detailed above and further extend the mine life.

The 2015 revised Ore Reserve is based on work done by Mr Rick Taylor, who is a Chartered Professional Member of The Australasian Institute of Mining and Metallurgy. Mr Taylor is a full time employee of Wolf Minerals Limited, and takes responsibility for the Ore Reserves. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC, 2012). Mr Taylor consents to the inclusion of the above table based on his information in the form and context in which it appears.

The 2015 Ore Resource is 145.2Mt at 0.15% WO_3 and 0.02% Sn (reported above a 0.063% WO_3 cut-off) and is a 64% drop in tonnage due to the criteria required by JORC for the "prospect for eventual economic extraction". The historic metallurgical testwork indicated that recovery of tungsten within the Killas (the meta-sedimentary rocks surrounding the granite body) was possible. However, no further testwork has been completed at this time. Accordingly, Wolf currently considers it prudent to exclude the Killas hosted mineralisation from the resources, to be revisited in the future. Therefore only the granite portion of the resource has been considered.

Directors' Report *(cont.)*

Reserves and Resources Statement 2015 *(cont.)*

Once the mine is operational Wolf will look at the metallurgical opportunities available with the Killas, such that it may be available to be included in future Mineral Resource Estimates.

To date, there has been no new data relevant to the resource since the original 2010 estimation and the broader mineral inventory remains unchanged.

In order to establish the conformity of the current resource with JORC Code 2012, SRK prepared the Table 1 of the Code (Checklist of Assessment and Reporting Criteria), which shows that all aspects of the resource estimation were covered in 2010.

The 2015 revised Ore Resource is based on work done by Mr Daniel Guibal, who is a Chartered Professional Fellow of The Australasian Institute of Mining and Metallurgy. Mr Guibal is employed by SRK Consulting and takes responsibility for the Mineral Resource Estimate. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC, 2012). Mr Guibal consents to the inclusion of the table above based on his information in the form and context in which it appears.

Corporate Governance

Wolf Minerals Limited and its controlled entities are committed to robust corporate governance practices which are appropriate to its size and life stage and which facilitate the Group's long term performance and sustainability as well as protect and enhance the interests of our shareholders and other stakeholders.

We regularly review our governance arrangements and monitor developments in market practice, expectations and regulation.

The Group supports the 3rd Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations and has prepared a Corporate Governance Statement which discloses the extent to which the Company has followed these recommendations.

A copy of the Corporate Governance Statement can be found on the Company's website at www.wolfminerals.com/irm/content/corporate-governance.aspx

Directors' Report *(cont.)*

Information on Directors

Mr John Hopkins OAM

Non Executive Chairman *(Age 65 years)*

Qualifications

LLB, FAICD

Experience

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 is a Fellow of the Australian Institute of Company Directors. Mr Hopkins was awarded the Medal of the Order of Australia (OAM) in January 2015 for services to the minerals and resources sector.

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.

Interest in Shares and Options

405,841 fully paid Ordinary Shares.

Directorships held in other listed entities

Mr Hopkins is currently the Non Executive Chairman of Universal Coal Plc, an ASX listed resources company.

His recent former listed company directorships include the Chairmanship of Midas Resources Ltd (2011 to 2013) and Thundelarra Exploration Ltd (from 2011 to 2013). He was also a Non Executive Director of Alara Resources Ltd (from 2013 to 2015).

In the not for profit sector he has been Chairman of Golf Australia Ltd (the national governing body) since 2011.

Mr Russell Clark

Managing Director *(Age 57 years)*

Qualifications

BSc, Grad Dip, ARSM, MIMM, MAusIMM, CE, FAICD

Experience

Mr Clark was appointed as Managing Director in October 2013. He is a mining professional with over 36 years experience in senior corporate, operational and project management roles in gold, industrial minerals, iron ore and base metal mines and has worked in Australia, the USA, Africa, South America and PNG.

Most recently, in 2013, as CEO of Azimuth Resources he concluded the acceptance of a takeover of Azimuth by Troy Resources. Previously as Managing Director of Grange Resources Limited he managed the merger with ABM that saw Grange become the largest magnetite producer in Australia through the Savage River mine, and was responsible for the production of prefeasibility and bankable studies for the $3b Southdown magnetite project in South West Australia.

Mr Clark previously worked for Renison Goldfields for 18 years at numerous mining operations and spent eight years with Newmont where his final role was Group Executive of Operations, responsible for eight mining operations in Australia and New Zealand.

Mr Clark has a mining degree from the Royal School of Mines in London, and a post grad diploma in Finance and Investment Analysis. He is a Chartered Engineer, a fellow of the Australian Institute of Company Directors and a member of both the AusIMM and the Institute of Metals, Materials and Mining.

Interest in Shares and Options

83,333 fully paid Ordinary Shares.

Directorships held in other listed entities

Mr Clark's former recent listed company directorships include being the Non Executive Chairman of Attila Resources Limited, an ASX listed coal exploration company (from 2014 to 2015).

Mr Ronald (Ronnie) Beevor

Non Executive Director *(Age 68 years)*

Qualifications

B.A. Hons (Oxon)

Experience

Mr Beevor joined the Board in September 2013 and has more than 30 years experience in investment banking, including being Head of Investment Banking at NM Rothschild & Sons (Australia) Limited between 1997 and 2002.

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.

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.

Interest in Shares and Options

385,741 fully paid Ordinary Shares.

Directorships held in other listed entities

Mr Beevor is currently Non executive Chairman of Bannerman Resources Limited and a Director of Unity Mining Limited. He is also a Director of Riverdale Resources Limited, an unlisted public company.

His former recent listed company directorships include EMED Mining Public Limited (from 2004 to 2014), Bullabulling Gold Limited (from 2012 to 2014), Ampella Mining Limited (from 2011 to 2014), Talison Lithium Limited (from 2010 to 2013) and Rey Resources Limited (from 2010 to 2012).

Information on Directors *(cont.)*

Mr Nick Clarke

Non Executive Director *(Age 63 years)*

Qualifications

C Eng. , ACSM, MIMMM

Experience

Mr Clarke has more than 40 years of mining experience in production, consulting and corporate activity. He joined the Board in January 2014.

Mr Clarke is currently the CEO of AIM listed Central Asia Metals Plc, a copper producing company with assets in Kazakhstan, Mongolia and Chile. He was previously Managing Director of Oriel Resources Plc (AIM), until it was sold to Mechel OAO of Russia for US$1.5 billion in 2008.

From 1992-2004, Mr Clarke was the Managing Director of international mineral consultancy Wardell Armstrong International Ltd, where he managed numerous multidisciplinary mining projects in the CIS and Africa. Prior to this he spent 16 years in production management within South Africa, Ghana, and Saudi Arabia.

Mr Clarke graduated from Camborne School of Mines in 1974 as a mining engineer and is a Chartered Engineer.

Interest in Shares and Options

35,741 fully paid Ordinary Shares.

Directorships held in other listed entities

Mr Clarke is currently the CEO of AIM listed Central Asia Metals Plc. Other recent former listed company directorships include Columbus Copper Corporation (from 2010 to 2015), Obtala Resources Plc (2008-2012), Caledon Resources Plc (2006-2010) and Sunkar Resources Plc (2008-2011).

Mr Chris Corbett

Non Executive Director *(Age 41 years)*

Qualifications

BEng (Hons Mech), BCom, GradDipAppFin, GradDipMine, CPEng

Experience

Mr Corbett has more than 18 years experience in mining, corporate business development and investment management. He joined the Wolf Board in 2009.

He is currently employed by Resource Capital Fund, 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.

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.

Interest in Shares and Options

Nil.

Directorships held in other listed entities

Mr Corbett does not currently hold any other listed company directorships. He was a director of TSX listed Talison Lithium Limited until March 2013.

Mr Don Newport

Non Executive Director *(Age 61 years)*

Qualifications

ACIB, CDipAF

Experience

Mr Newport brings a wealth of mining finance experience to the company.

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.

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.

Mr Newport is an Associate of the Chartered Institute of Bankers and holds the Certified Accountant's Diploma in Accounting and Finance.

He has been a Director of the Company since 2009.

Interest in Shares and Options

35,741 fully paid Ordinary Shares.

Directorships held in other listed entities

Mr Newport does not currently hold any other listed company directorships. He was previously a Director of African Eagle Resources Plc from 2012 until 2013.

Directors' Report *(cont.)*

Information on Directors *(cont.)*

Mr Michael Wolley

Non Executive Director *(Age 55 years)*

Qualifications

BE (Hons) Chemical and Materials Engineering, M Mgmt

Experience

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.

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.

In 2007, Mr Wolley returned to the resources sector as Chief Operating Officer for Lynas Corporation, and subsequently into the gold sector where he is a Director of Red Mountain Mining, an ASX listed gold development business.

Mr Wolley currently holds the position of Vice President Minerals for the Todd Corporation. He is a Director of Rutila Resources, an ASX listed resources business and sits on the Board of Strattera, the New Zealand minerals industry body. He is a member of both the Australian and New Zealand Institutes of Company Directors.

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.

Interest in Shares and Options

Nil.

Directorships held in other listed entities

Mr Wolley has been a Director of the following listed companies since 2012 - Montero Mining and Exploration Limited, Rutila Resources Limited (formerly Forge Resources) and Red Mountain Mining Limited.

Mr William Goodwin

Alternate Director for Mr Michael Wolley *(Age 33 years)*

Mr Will Goodwin acts as Mr Wolley's Alternate Director at any meeting of Directors which Mr Wolley is not able to attend. The appointment of Mr Goodwin will continue until Mr Goodwin either resigns, Mr Wolley revokes the appointment or until Mr Wolley ceases to be a Director, whichever occurs first.

Qualifications

B Comm (Economics) and Masters Applied Finance

Experience

Mr Goodwin has more than 10 years experience in private equity, mining, corporate strategy and business development.

He is currently employed as Chief Financial Officer for Todd Minerals and Coal, having previously held senior roles in The Todd Corporation and Todd Capital.

He has experience across a broad range of sectors including infrastructure, telecommunications, mining, downstream energy, healthcare, agriculture, fast moving consumer goods and financial services.

Mr Goodwin is an affiliate of the Australian Institute of Company Directors and a graduate of the Victoria University of Wellington with a Bachelor of Commerce majoring in Economics and a Masters of Applied Finance.

INFORMATION ON COMPANY SECRETARIES

Mr Richard Lucas

Chief Financial Officer and Joint Company Secretary *(Age 40 years)*

Qualifications

BCom, Chartered Accountant

Experience

Mr Lucas commenced with Wolf Minerals Limited in April 2011 as Chief Financial Officer and Company Secretary. He is a Chartered Accountant with over 18 years of financial experience in various sectors, including mining, construction, property development and professional services sectors. Mr Lucas is responsible for the establishment of the Group's integrated finance function.

Prior to working at Wolf Minerals, 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.

Interest in Shares and Options

75,467 fully paid Ordinary Shares.

Directorships held in other listed entities

Mr Lucas does not currently hold any listed company directorships.

Ms Pauline Carr

Joint Company Secretary *(Age 51 years)*

Qualifications

BEc, MBA, FAICD, FGIA

Experience

Ms Carr commenced as Joint Company Secretary with Wolf Minerals Limited in November 2014.

Ms Carr is a qualified chartered secretary and experienced executive with over 29 years management and commercial experience in the resources industry with both Australian and international companies. In addition, she has 20 years of comprehensive hands-on company secretarial, compliance and governance experience with listed company boards. She also provides governance, management support, project management and business improvement services to organizations in a range of sectors and is a Director of several not for profit companies.

Interest in Shares and Options

Nil.

Directorships held in other listed entities

Ms Carr does not currently hold any listed company directorships.

Remuneration Report – Audited

The names and positions held by consolidated and parent entity key management personnel in office at any time during the financial year are:

Group Key Management Personnel	Position held as at 30 June 2015 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 %	Options /Rights %	Fixed Salary/ Fees %	Total %
John Hopkins OAM	Non Executive Chairman	No fixed term. No notice required to terminate.	-	-	-	100	100
Russell Clark	Executive Managing Director	No fixed term. 3 months notice required to terminate.	18	-	32	50	100
Ronnie Beevor	Non Executive Director	No fixed term. No notice required to terminate.	-	-	-	100	100
Nick Clarke	Non Executive Director	No fixed term. No notice required to terminate.	-	-	-	100	100
Chris Corbett	Non Executive Director	No fixed term. No notice required to terminate.	-	-	-	100	100
Don Newport	Non Executive Director	No fixed term. No notice required to terminate.	-	-	-	100	100
Michael Wolley	Non Executive Director	No fixed term. No notice required to terminate.	-	-	-	100	100
Jeff Harrison	Operations Manager / Director of subsidiary	No fixed term. 3 months notice required to terminate	16	-	22	62	100
Richard Lucas	Chief Financial Officer / Company Secretary	No fixed term. 3 months notice required to terminate.	16	-	22	62	100
Rupert McCracken	Project Manager	No fixed term. 1 month notice required to terminate.	29	-	18	53	100

This report details the nature and amount of remuneration for each key management person of the Group and executives receiving the highest remuneration.

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.

Directors' Report *(cont.)*

Remuneration Report – Audited *(cont.)*

REMUNERATION POLICY *(cont.)*

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 length of service and experience), 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") expected to provide maximum 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 option and performance rights arrangements.

The key management personnel receive a superannuation guarantee contribution required by the government, which is 9.5% for 2015 (2014: 9.25%), 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. Options and performance rights are valued using the Black-Scholes or Monte Carlo methodology.

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 21 November 2014 shareholders approved a Directors' Share Plan whereby Non Executive Directors will receive a fixed component of their fees in the form of fully paid Wolf shares. The Directors' Share Plan was designed to retain cash reserves and better align Non Executive Directors' remuneration with the performance of the Group.

The total base fees and Committee fees paid for the year ended 30 June 2015 did not exceed the shareholder approved limit of $800,000.

The Non Executive Director remuneration packages (inclusive of superannuation) from 1 March 2015 are as follows:

		Remuneration Committee		Audit, Risk and Compliance Committee		Nomination Committee		Project Steering Committee			
	Base	Chair	Member	Chair	Member	Chair	Member	Chair	Member	Non Cash	Total
	$	$	$	$	$	$	$	$	$	$	$
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 a development entity and therefore speculative in terms of performance. 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 executive and senior management personnel. The STI measurement is based on KPIs that are set and agreed each year by the Remuneration Committee and the Board.

Based on individual and Company performance, the STI will be paid in cash on a pro-rata basis of the fixed salary remuneration, as follows:

	2016 Target
Managing Director	35%
Executive Key Management Personnel	25%
Senior Operations Management	10%

The Remuneration Committee had adjusted the size of the STI in response to the Group transitioning into a producer during 2016. A corresponding increase in the LTI ensures that management are aligned with shareholder's interest in building a profitable and consistently performing operation.

In addition to the STI above, there is a separate STI for the senior construction management, focused on the successful completion of the Project in 2015. The construction STI will be paid in cash on a pro rata basis of the fixed salary remuneration, as follows:

	Target
Project Manager	60%
Senior Construction Management	20%

Long term incentives

During the year the Board formalised arrangements to implement a Long Term Incentive Plan ("LTI").

Under the LTI, the Board may grant eligible Wolf employees' rights, known as Performance Rights, which vest into Wolf shares at a later date, subject to the satisfaction of performance conditions ("Vesting Conditions") and the conversion of Performance Rights into 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 Long Term Incentive Plan.

The proposed target LTI for the next financial year is as follows:

	2016
Managing Director	65%
Executive Key Management Personnel	35%

The proposed LTI for the Managing Director is subject to shareholder approval and will be included in the notice of meeting for the 2015 Annual General Meeting.

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 Managing Director, Russell Clark, and other key management personnel are formalised in contracts of employment. All key management personnel are permanent employees of Wolf Minerals Limited, except for Jeff Harrison who is employed by Wolf Minerals (UK) Limited, a wholly owned subsidiary.

The standard employment contract states a three-month resignation 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.

KEY MANAGEMENT PERSONNEL EMPLOYMENT POLICY *(cont.)*

(a) Key management personnel remuneration

	Short Term Benefits			Share Based Payments	Post Employment Benefits		
	Salary and Fees	Non Cash Benefits	Bonuses	Shares, Rights & Options	Super-annuation	Termination Benefits	Total
	$	$	$	$	$	$	$
2015							
John Hopkins OAM	120,080	-	-	29,243	11,408	-	160,731
Russell Clark	450,000	34,650	214,682	63,492	42,750	-	805,574
Ronnie Beevor	83,537	-	-	14,622	-	-	98,159
Nick Clarke	71,675	-	-	14,622	-	-	86,297
Chris Corbett[4]	78,062	-	-	14,622	-	-	92,684
Don Newport	71,675	-	-	14,622	-	-	86,297
Michael Wolley[5]	72,587	-	-	14,622	-	-	87,209
Jeff Harrison	222,686	-	79,910	18,544	101,595	-	422,735
Richard Lucas	305,000	18,331	97,100	26,157	28,975	-	475,563
Rupert McCracken	405,563	-	-	45,124	38,528	-	489,215
	1,880,865	52,981	391,692	255,670	223,256	-	2,804,464
2014							
John Hopkins OAM	115,000	-	-	-	10,637	-	125,637
Russell Clark[1]	285,297	697	99,400	-	26,390	-	411,784
Ronnie Beevor[2]	57,707	-	-	-	-	-	57,707
Nick Clarke[3]	36,981	-	-	-	-	-	36,981
Chris Corbett[4]	59,719	-	-	-	-	-	59,719
Don Newport	63,238	-	-	-	-	-	63,238
Michael Wolley[5]	66,030	-	-	-	-	-	66,030
Humphrey Hale[6]	270,760	-	350,000	-	10,771	109,250[7]	740,781
Jim Williams[8]	25,962	-	-	-	2,401	-	28,363
Jeff Harrison[9]	177,137	-	32,194	10,437	93,373	-	313,141
Richard Lucas	288,750	-	43,107	20,874	26,709	-	379,440
Rupert McCracken	393,750	-	-	20,874	36,422	-	451,046
	1,840,331	697	524,701	52,185	206,703	109,250	2,733,867

1 *Russell Clark commenced on 16 October 2013.*

2 *Ronnie Beevor commenced on 20 September 2013.*

3 *Nick Clarke commenced on 7 January 2014*

4 *Chris Corbett's remuneration is paid to RCF Capital Funds Management Pty Ltd. Mr Corbett is Resource Capital Fund V LP's representative director on the Board.*

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

6 *Humphrey Hale resigned on 16 October 2013. Salary and fees includes $154,322 of annual and long service leave entitlements paid out upon resignation.*

7 *Humphrey Hale received a payment of 3 months salary and superannuation upon ceasing employment with the Company in accordance with the terms of his employment contract. The total termination payments to Humphrey Hale did not exceed the statutory limit for such payments.*

8 *Jim Williams resigned on 7 January 2014.*

9 *Jeff Harrison commenced as a director of Wolf Minerals (UK) Limited on 14 April 2014. Prior to this he was not considered as key management personnel as defined in AASB 124 Related Party Disclosures.*

KEY MANAGEMENT PERSONNEL EMPLOYMENT POLICY *(cont.)*

(a) Key management personnel remuneration *(cont.)*

Performance income as a proportion of total income

For the year ended 30 June 2015, an assessment was made of performance against the agreed KPIs. Payments totalling $391,692 were approved by the Remuneration Committee and the Board to be paid in cash, with the following amounts being paid to key management personnel:

Russell Clark	$214,682
Richard Lucas	$97,100
Jeffrey Harrison	$79,910

(b) Performance rights and options issued as part of remuneration for the year ended 30 June 2015

During the year the Company issued performance rights to executive management under the LTI Plan. Two tranches were granted in 2015 to acknowledge performance to date on the Project. Tranche 1 was calculated based on the employee's fixed salary remuneration for the 2014 financial year. Tranche 2 was calculated based on the employee's fixed salary remuneration for the 2015 financial year. The rights were issued to the following key management personnel:

Performance rights

	Tranche 1		Tranche 2	
	Number	Value ($)	Number	Value ($)
Russell Clark	624,800	97,781	693,493	114,080
Rupert McCracken	372,750	58,335	347,228	57,119
Richard Lucas	273,350	42,779	261,130	42,955
Jeff Harrison	190,529	29,818	190,138	31,278

The rights have been valued using the Monte Carlo valuation method. 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.

Options	Number	Value
Rupert McCracken	850,000	$9,795

The options have been valued using the Black Scholes pricing model.

Refer to Note 23 for further information on the valuation of the rights and options.

(c) Shares issued on exercise of compensation options and rights

There were no performance rights or options granted as compensation exercised during the year ended 30 June 2015.

KEY MANAGEMENT PERSONNEL EMPLOYMENT POLICY *(cont.)*

(d) Shareholdings

2015	Balance 1.7.2014	Received as Compensation	Options/ Rights Exercised	Net Change Other	Balance on (Resignation)/ Appointment	Balance 30.6.2015
Number of shares held by key management personnel:						
John Hopkins	334,000	71,481	-	-	-	405,481
Russell Clark	83,333	-	-	-	-	83,333
Ronnie Beevor	350,000	35,741	-	-	-	385,741
Jeff Harrison	79,400	-	-	-	-	79,400
Richard Lucas	75,467	-	-	-	-	75,467
Rupert McCracken	158,800	-	-	-	-	158,800
Nick Clarke	-	35,741	-	-	-	35,741
Don Newport	-	35,741	-	-	-	35,741
	1,081,000	**178,704**	**-**	**-**	**-**	**1,259,704**

2014	Balance 1.7.2013	Received as Compensation	Options/ Rights Exercised	Net Change Other	Balance on (Resignation)/ Appointment	Balance 30.6.2014
Number of shares held by key management personnel:						
John Hopkins	204,000	-	-	130,000	-	334,000
Russell Clark	-	-	-	83,333	-	83,333
Ronnie Beevor	-	-	-	250,000	100,000	350,000
Humphrey Hale	2,006,000	-	-	-	(2,006,000)	-
Jim Williams	80,000	-	-	-	(80,000)	-
Jeff Harrison	-	-	29,400	50,000	-	79,400
Richard Lucas	-	-	58,800	16,667	-	75,467
Rupert McCracken	-	-	58,800	100,000	-	158,800
	2,290,000	**-**	**147,000**	**630,000**	**(1,986,000)**	**1,081,000**

The Net Change Other reflected above includes on-market purchases.

Mr Goodwin held no shares at 30 June 2015 nor had he owned any during the year.

KEY MANAGEMENT PERSONNEL EMPLOYMENT POLICY *(cont.)*

(e) Options and rights holdings

2015	Balance 1.7.2014	Granted as Compensation	Options / Rights Exercised	Net Change Other	Balance 30.6.2015	Total Vested 30.6.2015	Total Exercisable 30.6.2015
Number of options and rights held by key management personnel:							
Russell Clark	-	1,318,293[1]	-	-	1,318,293	-	-
Jeff Harrison	110,000	380,667[1]	-	-	490,667	-	-
Richard Lucas	152,778	534,480[1]	-	-	687,258	-	-
Rupert McCracken	954,167	1,569,978[1]	-	(850,000)	1,674,145	850,000	850,000
	1,216,945	**3,803,418**	**-**	**(850,000)**	**4,170,363**	**850,000**	**850,000**

2014	Balance 1.7.2013	Granted as Compensation	Options / Rights Exercised	Net Change Other	Balance 30.6.2014	Total Vested 30.6.2014	Total Exercisable 30.6.2014
Number of options and rights held by key management personnel:							
John Hopkins	850,000	-	-	(850,000)	-	-	-
Humphrey Hale	416,667	-	-	(416,667)	-	-	-
Jeff Harrison	110,000	29,400[1]	(29,400)	-	110,000	-	-
Richard Lucas	152,778	58,800[1]	(58,800)	-	152,778	-	-
Rupert McCracken	954,167	58,800[1]	(58,800)	-	954,167	850,000	850,000
	2,483,612	**147,000**	**(147,000)**	**(1,266,667)**	**1,216,945**	**850,000**	**850,000**

1 *Performance rights and options issued as part of remuneration.*

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

Key management personnel who do not hold any options at 30 June 2015 nor have held any during the year are not included in the above tables.

(f) Additional information

Performance over the Past 5 Years

The objective of the LTI plan is to reward and incentivise executives in a manner which aligns with the creation of shareholder wealth. The Company's performance over the 2015 financial year and the previous four financial years is tabulated below:

Year ended 30 June	2015	2014	2013	2012	2011
Net loss after tax ($'000)	(8,762)	(3,732)	(4,711)	(5,426)	(1,054)
Net assets ($'000)	240,892	221,067	40,192	7,427	10,166
Market capitalisation ($ million) at 30 June	340	226	44	27	28
Closing share price ($)	0.42	0.28	0.22	0.29	0.33

End of REMUNERATION REPORT – AUDITED

MEETINGS OF DIRECTORS

The numbers of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2015, and the numbers of meetings attended by each Director were:

	Directors' Meetings		Audit, Risk and Compliance Committee		Project Steering Committee		Remuneration Committee		Nomination Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
John Hopkins	18	18	6	6	-	-	-	-	3	3
Ronnie Beevor	18	16	6	6	-	-	5	5	3	3
Russell Clark	18	18	-	-	10	8	-	-	-	-
Nick Clarke	18	13	-	-	10	9	5	3	-	-
Chris Corbett	18	16	-	-	10	10	5	3	3	3
Don Newport	18	15	6	6		-	5	5	-	-
Michael Wolley	18	10	-	-	10	7	5	4	3	1
William Goodwin	4	3	-	-	2	-	1	1	1	1

INDEMNIFYING OFFICERS

During or since the end of the financial year the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The Company has paid premiums to insure each of the following directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, other than conduct involving a willful breach of duty in relation to the Company. The amount of the premium was approximately $2,644 for each Director.

» John Hopkins

» Russell Clark

» Ronnie Beevor

» Nick Clarke

» Chris Corbett

» Don Newport

» Michael Wolley

» William Goodwin (Alternate Director for Mr Wolley)

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

OPTIONS

At the date of this report, the unissued ordinary shares of Wolf Minerals Limited under options or rights are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option	Number of Rights
16/10/12	16/10/15	$0.33	529,845	-
16/10/12	16/10/15	$0.39	226,342	-
26/11/09	30/11/15	$0.34	850,000	-
09/01/13	19/01/16	$0.33	529,845	-
09/01/13	19/01/16	$0.39	226,342	-
30/01/13	30/01/16	$0.33	172,776	-
30/01/13	30/01/16	$0.39	73,807	-
22/05/13	22/05/16	$0.26	3,200,000	-
21/11/14	30/06/16	$0.00	-	1,461,429
21/11/14	30/06/17	$0.00	-	1,491,989
04/11/11	22/12/20	$0.00	-	366,945
			5,808,957	**3,320,363**

No person entitled to exercise an option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

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.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2015 has been received and can be found on page 20 of the Directors' report.

This report is made in accordance with a resolution of the Board of Directors. These financial statements were authorised for issue on 16 September 2015 by the Directors of the Company.

Russell Clark
Director

16 September 2015

Auditor's Independence Declaration

PKF MACK
Accounting, Financial and Business Advisory

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF WOLF MINERALS LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

PKF Mack

PKF MACK & CO

S FERMANIS
PARTNER

16 SEPTEMBER 2015
WEST PERTH,
WESTERN AUSTRALIA

Tel: 61 8 9426 8999 | Fax: 61 8 9426 8900 | www.pkfmack.com.au
PKF Mack | ABN 64 591 268 274
4th Floor, 35 Havelock Street | West Perth | Western Australia 6005 | Australia
PO Box 609 | West Perth | Western Australia 6872 | Australia

Directors' Declaration

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 24 to 56, and the remuneration disclosures in the Directors Report designated audited 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 2015 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. The Managing Director and Chief Financial Officer have each declared that:

    a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;

    b. the financial statements and notes for the financial year comply with the Accounting Standards; and

    c. the financial statements and notes for the financial year give a true and fair view.

3. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Russell Clark
Director

16 September 2015

Independent Auditor's Report

PKF MACK
Accounting, Financial and Business Advisory

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

Report on the Financial Report

We have audited the accompanying financial report of Wolf Minerals Ltd (the company), which comprises the consolidated statement of financial position as at 30 June 2015, 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. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company 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 Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Tel: 61 8 9426 8999 | Fax: 61 8 9426 8900 | www.pkfmack.com.au
PKF Mack | ABN 64 591 268 274
4th Floor, 35 Havelock Street | West Perth | Western Australia 6005 | Australia
PO Box 609 | West Perth | Western Australia 6872 | Australia

PKF MACK
Accounting, Financial and Business Advisory

Opinion

In our opinion:

(a) the financial report of Wolf Minerals Ltd is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the consolidated entity incurred a net loss after tax of $8,761,962 (2014:$3,731,574) during the year ended 30 June 2015, and will need to generate positive cash flows from the Hemerdon tungsten and tin project to repay its debt funding facilities. These conditions along with other matters as set forth in Note 1, indicates the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. 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. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Wolf Minerals Ltd for the year ended 30 June 2015, complies with section 300A of the Corporations Act 2001.

PKF Mack

PKF MACK

SIMON FERMANIS
PARTNER

16 SEPTEMBER 2015
WEST PERTH,
WESTERN AUSTRALIA

Consolidated Statement of

Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 30 June 2015

	Note	2015 $	2014 $
Revenue	*3*	**534,414**	137,825
Other income	*3*	**49,008**	64
Administration expenses		**(2,844,825)**	(1,260,389)
Compliance expenses		**(314,560)**	(247,412)
Consultancy expenses		**(1,104,207)**	(694,002)
Directors' fees		**(509,025)**	(438,740)
Employee benefits expense	*4*	**(1,834,104)**	(1,834,524)
Depreciation expense	*13*	**(246,577)**	(50,999)
Equity compensation benefits	*4, 6, 23*	**(255,670)**	(52,185)
Finance costs	*4*	**(549,163)**	(1,077,389)
Foreign exchange gain/(loss)	*4*	**(535,686)**	2,659,322
Financial instrument gain/(loss)		**(1,030,688)**	-
Insurance expenses		**(144,848)**	(38,910)
Occupancy expenses	*4*	**(489,882)**	(458,569)
Other expenses	*4*	**(69,114)**	(375,666)
Loss before income tax		**(9,344,927)**	(3,731,574)
Income tax benefit	*5*	**582,965**	-
Loss for the year after income tax		**(8,761,962)**	(3,731,574)
Other comprehensive income for the year			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		**27,246,309**	4,009,733
Movement in the cash flow hedge reserve (net of tax)		**653,715**	-
Other comprehensive income for the year (net of tax)		**27,900,024**	4,009,733
Total comprehensive income for the year attributable to members of the parent		**19,138,062**	278,159
LOSS PER SHARE			
Basic loss per share (cents)	*8*	**(1.08)**	(1.40)
Diluted loss per share (cents)	*8*	**(1.08)**	(1.40)

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 2015

	Note	2015 $	2014 $
CURRENT ASSETS			
Cash and cash equivalents	*9*	**34,417,454**	102,819,455
Trade and other receivables	*10*	**6,220,598**	6,103,522
Derivative financial instruments	*11*	**413,293**	-
Other current assets	*12*	**161,689**	13,462,065
TOTAL CURRENT ASSETS		**41,213,034**	122,385,042
NON CURRENT ASSETS			
Property, plant and equipment	*13*	**614,746**	353,872
Development assets	*14*	**296,983,129**	119,669,556
Derivative financial instruments	*11*	**517,220**	-
Other non-current assets	*12*	**20,110,873**	6,444,561
TOTAL NON CURRENT ASSETS		**318,225,968**	126,467,989
TOTAL ASSETS		**359,439,002**	248,853,031
CURRENT LIABILITIES			
Trade and other payables	*15*	**14,452,896**	25,600,767
Provisions	*16*	**172,843**	126,789
Derivative financial instruments	*11*	**358,748**	-
Borrowings	*17*	**7,328,596**	-
TOTAL CURRENT LIABILITIES		**22,313,083**	25,727,556
NON CURRENT LIABILITIES			
Provisions	*16*	**5,127,234**	2,058,561
Derivative financial instruments	*11*	**1,035,871**	-
Borrowings	*17*	**90,071,146**	-
TOTAL NON CURRENT LIABILITIES		**96,234,251**	2,058,561
TOTAL LIABILITIES		**118,547,334**	27,786,117
NET ASSETS		**240,891,668**	221,066,914
EQUITY			
Issued capital	*18*	**226,982,428**	226,295,680
Reserves	*19*	**34,358,344**	7,379,975
Accumulated losses		**(20,449,104)**	(12,608,741)
TOTAL EQUITY		**240,891,668**	221,066,914

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 2015

	Ordinary shares	Accumulated losses	Option reserve	Cash flow hedge reserve	Foreign currency translation reserve	Total
	$	$	$	$	$	$
Balance at 30 June 2013	**45,698,632**	**(8,877,167)**	**2,498,535**	**-**	**871,707**	**40,191,707**
Loss for the year	-	(3,731,574)	-	-	-	(3,731,574)
Other comprehensive income						
Foreign currency translation differences	-	-	-	-	4,009,733	4,009,733
Total comprehensive income for the year	-	(3,731,574)	-	-	4,009,733	278,159
Transactions with owners, recorded directly in equity						
Issue of share capital	182,956,472	-	-	-	-	182,956,472
Transaction costs	(2,359,424)	-	-	-	-	(2,359,424)
Equity compensation benefit	-	-	-	-	-	-
Balance at 30 June 2014	**226,295,680**	**(12,608,741)**	**2,498,535**	**-**	**4,881,440**	**221,066,914**
Loss for the year	-	(8,761,962)	-	-		(8,761,962)
Other comprehensive income						
Foreign currency translation differences	-	-	-	-	27,246,309	27,246,309
Other comprehensive income for the year	-	-	-	653,715	-	653,715
Total comprehensive income for the year	-	(8,761,962)	-	653,715	27,246,309	19,138,062
Transactions with owners, recorded directly in equity						
Issue of share capital	460,111	-	-	-	-	460,111
Transaction costs	(29,090)	-	-	-	-	(29,090)
Options exercised during the year	153,376	-	(153,376)	-	-	-
Options expired during the year	-	921,599	(921,599)	-	-	-
Options & rights issued during the year	-	-	153,320	-	-	153,320
Equity compensation benefit	102,351	-	-	-	-	102,351
Balance at 30 June 2015	**226,982,428**	**(20,449,104)**	**1,576,880**	**653,715**	**32,127,749**	**240,891,668**

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

Cash Flows

For the Financial Year Ended 30 June 2015

	Note	2015 $	2014 $
Cash Flows from Operating Activities			
Payments to suppliers and employees		**(7,197,238)**	(4,282,319)
Other income		**619,593**	-
Interest received		**484,575**	137,870
Net cash used in operating activities	*22*	**(6,093,070)**	(4,144,449)
Cash Flows from Investing Activities			
Payments for exploration and development		**(167,973,160)**	(72,284,024)
Payments made in respect on bonds and collateral deposits		**(12,745,581)**	-
Payments for property, plant & equipment		**(483,551)**	(342,808)
Net cash used in investing activities		**(181,202,292)**	(72,626,832)
Cash Flows from Financing Activities			
Proceeds from issue of shares		**460,111**	182,904,287
Payments for share issue costs		**(3,678)**	(2,359,424)
Proceeds from borrowings		**112,541,000**	67,935,000
Repayment of borrowings		**-**	(74,031,696)
Payments for borrowing costs		**(5,491,989)**	(10,960,613)
Net cash generated from financing activities		**107,505,444**	163,487,554
Net increase in cash and cash equivalents		**(79,789,918)**	86,716,273
Effects of exchange rate changes on the balance of cash held in foreign currencies		**11,387,917**	(2,564,961)
Cash and cash equivalents at beginning of financial year		**102,819,455**	18,668,143
Closing cash and cash equivalents carried forward	*9*	**34,417,454**	102,819,455

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 2015

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 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 16 September 2015. 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 accounts have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The Group incurred a loss after tax of $8,761,962 for the year ended 30 June 2015 (2014: $3,731,574).

The Notes to the Financial Statements include the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposure to liquidity risk.

The Group currently has unused loan funding available of~$5.1m (£2.5 m) under the Senior Debt facility (total facility of~$143m (£70m) with ~$113m (£55m) utilised at 30 June 2015) with UniCredit AG, London Branch; ING Bank N.V.; and Caterpillar Financial SARL. This Senior Debt is secured by the Company's assets and is available to the Company to be drawn down subject to its terms. Loan repayments will be made on a quarterly basis commencing approximately six months after first production.

All financial covenants have been satisfied to date. The bank completion tests under the Senior Debt facilities, scheduled for March 2016, require the Project cash flows (based upon the approved Base Case Financial Model ("BCFM")) to satisfy the financial ratios on a quarterly basis over the life of the loan. The latest model based upon current available information indicates that the financial ratios can be met over the life of the loan. Any change in forecast cash flows prior to completion giving rise to a potential breach of the financial ratios could lead to an amendment to the final debt repayment profile over the loan period to better match Project cash flows.

At the date of approval of these Financial Statements, and based upon the budgeted levels of expenditure and Board approved cash flow forecasts, the Directors are satisfied that the Group has sufficient cash and loan facilities together with forecast tungsten and tin sales receipts to finance the Group's capital and operating expenses and complete the development of the Project.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(cont.)*

Going Concern *(cont.)*

The Directors have reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from the date of the signing these Financial Statements. Thus they continue to adopt the going concern basis of accounting in preparing the Financial Statements.

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 2015 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.

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 Company'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 development assets (Note 14)

The Company tests annually whether the mine development asset 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 development asset 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 11.75 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$240 – US$330 per mtu. Tin revenues have been estimated over that period at a price of US$15,000 per 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 345,000 mtu and 450 tonnes respectively. The life of mine operating cost estimate has been updated to match the mine plan for the new reserves.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(cont.)*

b. Significant Accounting Estimates, Judgments and Assumptions *(cont.)*

(iii) Estimated impairment of mine development assets (Note 14) *(cont.)*

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 2015 after the recoupment of the remaining capital costs of the Project exceeds the carrying value of the mine development asset, therefore no impairment has been recorded.

The recoverable amount is not sensitive to reasonably possible changes in the key assumptions which would cause the carrying amount to exceed the recoverable amount.

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.

(iv) Mine environmental rehabilitation and restoration provision (Note 16)

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 2015 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.

(vi) Production start date

The Company assesses the stage of the Mine development asset to determine when it moves into the production phase, being when the mine including processes and infrastructure facilities are substantially complete and ready for intended use. The Company considers various relevant criteria to assess when the production phase is considered to have commenced. At this point, all related amounts are reclassified from Mine development asset to Mine properties and Property, plant and equipment. Some of the criteria used to identify the production start date include:

- level of capital expenditure incurred compared to the original cost estimate;
- completion of commissioning and testing of the processing facility;
- ability to produce metal in a saleable form.

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.

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 are 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 comprehensive income during the financial period in which they are incurred.

(iii) Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a diminishing value basis over the asset's useful life to the Group commencing from the time the asset is held ready for use.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(cont.)*

e. Property, Plant and Equipment *(cont.)*

(iii) Depreciation (cont.)

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	10 – 40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the consolidated statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

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.

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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(cont.)*

g. Financial Instruments *(cont.)*

(iii) Available-for-sale financial assets (cont.)

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.

(iv) Fair value

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.

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.

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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(cont.)*

j. Impairment (cont.)

(i) Financial assets (cont.)

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 exits. 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.

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. 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(cont.)*

m. 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.

n. EPS

(i) Basic earnings per share

Basic earnings per share is determined by dividing the net profit 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 earnings per share

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

o. 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;
- 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. Theses differences are recognised in the consolidated statement of comprehensive income in the period in which the operation is disposed.

p. 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.

q. Revenue and Other Income

Interest revenue is recognised as it accrues. Dividend revenue is recognised when the right to receive a dividend has been established.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(cont.)*

r. 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.

s. 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 Black–Scholes 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.

t. 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:

- 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.

u. 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(cont.)*

v. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

w. New and Amended Standards and Interpretations Issued But Not Yet Effective for the Financial Year Beginning 1 July 2014 and Not Early Adopted

The following Australian Accounting Standards have been issued or amended and are applicable to the annual financial statements of the Consolidated Entity (or the Company) but are not yet effective. This assumes the following have not been adopted in preparation of the financial statements at the reporting date.

AASB No.	Title	Application date of standard	Issue date
AASB 9	Financial Instruments	1 January 2018	December 2010
AASB 2013-9	Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments Part C - Financial Instruments	Part C - 1 January 2015	December 2013
AASB 2014-1	Amendments to Australian Accounting Standards Part D - Consequential Amendments arising from AASB 14 Regulatory Deferral Accounts Part E - Financial Instruments	Part D - 1 January 2016 Part E - 1 January 2018	June 2014
AASB 2014-3	Amendments to Australian Accounting Standard – Accounting for Acquisition of Interest in Joint Operations	1 January 2016	August 2014
AASB 2014-4	Amendments to Australian Accounting Standard - Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)	1 January 2016	August 2014
AASB 2014-5	Amendments to Australian Accounting Standard Arising From AASB 15	1 January 2017	December 2014
AASB 2014-7 AASB 2014-8	Amendments to Australian Accounting Standard Arising From AASB 9	1 January 2018	December 2014
AASB 2014-9	Amendments to Australian Accounting Standard - Equity Method in Separate Financial Statements	1 January 2016	December 2014
AASB 2014-10	Amendments to Australian Accounting Standard - Sale of Contribution of Assets Between Investors and its Associates or Joint Venture	1 January 2016	December 2014
AASB 2015-1	Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle	1 January 2016	January 2015
AASB 2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	1 January 2016	January 2015
AASB 2015-3	Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality	1 July 2015	January 2015
AASB 2015-5	Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception	1 July 2015	January 2015
AASB 14	Regulatory Deferral Account	1 January 2016	June 2014
AASB 15	Revenues from Contracts with Customers	1 January 2017	December 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(cont.)*

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.

The following Accounting Standards and Interpretations are most relevant to the Group:

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities

The Group has applied AASB 2012-3 from 1 July 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement.

AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets

The Group has applied AASB 2013-3 from 1 July 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed.

AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C)

The Group has applied Parts A to C of AASB 2014-1 from 1 July 2014. These amendments affect the following standards: AASB 2 'Share-based Payment': clarifies the definition of 'vesting condition' by separately defining a 'performance condition' and a 'service condition' and amends the definition of 'market condition'; AASB 3 'Business Combinations': clarifies that contingent consideration in a business combination is subsequently measured at fair value with changes in fair value recognised in profit or loss irrespective of whether the contingent consideration is within the scope of AASB 9; AASB 8 'Operating Segments': amended to require disclosures of judgements made in applying the aggregation criteria and clarifies that a reconciliation of the total reportable segment assets to the entity's assets is required only if segment assets are reported regularly to the chief operating decision maker; AASB 13 'Fair Value Measurement': clarifies that the portfolio exemption applies to the valuation of contracts within the scope of AASB 9 and AASB 139; AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets': clarifies that on revaluation, restatement of accumulated depreciation will not necessarily be in the same proportion to the change in the gross carrying value of the asset; AASB 124 'Related Party Disclosures': extends the definition of 'related party' to include a management entity that provides KMP services to the entity or its parent and requires disclosure of the fees paid to the management entity; AASB 140 'Investment Property': clarifies that the acquisition of an investment property may constitute a business combination.

NOTE 2: CONTROLLED ENTITIES

	Country of incorporation	2015		2014	
		% owned	Investment ($)	% owned	Investment ($)
Subsidiaries of Wolf Minerals Limited:					
Wolf Minerals (UK) Limited	United Kingdom	**100**	**93,968,924**	100	2
Wolf Minerals Finance Pty Ltd	Australia	**100**	**1,809,879**	100	1
Wolf Minerals LLP	United Kingdom	**100**	**180,917,913**	-	-

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

NOTE 3: REVENUE

	2015 $	2014 $
Revenue		
- interest received	**534,414**	137,825
Other income		
- cost recoveries	**49,008**	64
	583,422	137,889

NOTE 4: LOSS FOR THE YEAR

	2015 $	2014 $
Losses for the year after charging the following items:		
Finance costs:		
- external	**549,163**	1,077,389
Foreign currency translation (gains)/losses	**535,686**	(2,659,322)
Operating leases:		
- office rent	**317,983**	260,234
The following significant revenue and expenses are relevant in explaining the financial performance:		
Equity compensation benefits:		
- share based payments issued to employees	**255,670**	52,185
- share based payments issued to finance providers	**-**	-
	255,670	52,185
Employee benefits:		
- superannuation contributions	**105,512**	102,994
- transfer to/(from) provision for employee entitlements		
- Annual leave	**46,054**	(294)
- Long service leave	**53,706**	(40,512)
- salary and wages and other employee benefits	**1,628,832**	1,772,336
	1,834,104	1,834,524
Other expenses:		
Construction of the link road [1]	**69,114**	375,666

1 *The construction of the link road is a condition of the planning permission for the Project. The Group was required to construct the road for public adoption by Devon County Council. During the year, all expenditure incurred in constructing the link road has been expensed to the consolidated statement of profit or loss and other comprehensive income on the basis that the future economic benefits of the road are not directly attributable to the Group.*

NOTE 5: INCOME TAX EXPENSE

	2015 $	2014 $
a. The components of tax expense comprise:		
Current tax	**(582,965)**	-
Deferred tax	**-**	-
	(582,965)	-
b. The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2014: 30%)		
Consolidated group	**(2,628,589)**	(1,119,472)
Add:		
Tax effect of:		
- Share based payments	**76,701**	15,656
- Other non-allowable items	**10,043**	292,157
- Provisions and accruals	**30,845**	-
- Property, plant and equipment	**36,571**	-
- Other assessable items	**-**	14
- Revenue losses not recognised	**492,677**	386,825
- Overseas revenue losses not recognised	**2,861,334**	333,430
- Effect of foreign exchange on rates on overseas revenue losses	**-**	-
- Lower tax rate in foreign jurisdictions on overseas revenue losses	**1,430,667**	166,716
	4,938,838	1,194,798
Less:		
Tax effect of:		
- Provisions and accruals	**-**	(10,479)
- Capital raising costs	**(50,057)**	(64,847)
- Other non-assessable items	**(2,260,162)**	-
- Utilisation of revenue losses	**-**	-
- Utilisation of overseas revenue losses	**-**	-
- Research and development tax concession rebate	**(582,965)**	-
	(2,893,214)	(75,326)
Income tax expense/(benefit)	**(582,965)**	-

The income tax benefit in 2015 relates to the receipt of a refundable tax offset for research and development expenditure incurred.

NOTE 5: INCOME TAX EXPENSE *(cont.)*

	2015	2014
The applicable average weighted tax rates are as follows:	**0%**	0%

	2015 $	2014 $
c. The following deferred tax balances have not been accounted for:		
Deferred tax assets:		
At 30%		
Carried forward revenue losses	**1,128,760**	705,671
Capital raising costs	**31,289**	81,375
Provisions and accruals	**74,001**	43,156
Unrealised foreign exchange	**-**	286,097
	1,234,050	1,116,299
At 20% (United Kingdom)		
Property, plant and equipment	**121,903**	-
Carried forward overseas revenue losses	**3,171,349**	345,666
	3,293,252	345,666

The tax benefits of the above Deferred Tax Assets will only be obtained if:

- The Company derives future assessable income of a nature and an amount sufficient to enable the benefits to be utilised; and
- The Company continues to comply with the deductibility conditions imposed by the Income Tax Assessment Act 1997 and its overseas equivalent; and
- No change in income tax legislation adversely affects the company in utilising the benefits.

	2015 $	2014 $
Deferred tax liabilities:		
At 30%		
Exploration, evaluation and development expenditure	**-**	-
Accrued income	**-**	14
	-	14
At 20% (United Kingdom)		
Property, plant and equipment	**-**	5,447
	-	5,447

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.

No deferred tax liability or deferred tax asset is recognised on the development asset as the current net effect is minimal. This will change when the Group commences production.

NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION

	2015 $	2014 $
a. Key management personnel compensation		
The key management personnel compensation comprised:		
Short term employment benefits	**2,325,538**	2,365,729
Share based payments	**255,670**	52,185
Post employment benefits	**223,256**	315,953
	2,804,464	2,733,867

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 7: AUDITORS’ REMUNERATION

	2015 $	2014 $
Remuneration of the auditor of the parent entity for:		
- Auditing and reviewing the financial report	**96,535**	89,950
- Taxation services	**5,200**	-
Remuneration of the auditors of the subsidiary for:		
- Auditing and reviewing the financial report	**66,978**	45,290
	168,713	135,240

NOTE 8: LOSS PER SHARE

	2015 $	2014 $
Loss used to calculate basic and dilutive EPS	**(8,761,962)**	(3,731,574)

	2015 Number	2014 Number
Weighted average number of ordinary shares on issue during the year used in the calculation of basic EPS	**808,034,484**	266,495,658
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	**808,034,484**	266,495,658

NOTE 9: CASH AND CASH EQUIVALENTS

	2015 $	2014 $
Cash at bank and on hand	**34,294,528**	102,677,653
Short term bank deposits	**122,926**	141,802
	34,417,454	102,819,455

The effective interest rate on cash at bank and on hand and short-term bank deposits was 1.11% (2014: 0.54%) 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:

	2015 $	2014 $
Cash and cash equivalents	**34,417,454**	102,819,455

NOTE 10: TRADE AND OTHER RECEIVABLES

	2015 $	2014 $
Current		
Trade debtors	**15,755**	-
GST receivable	**38,793**	132,868
VAT receivable	**6,166,050**	5,970,654
	6,220,598	6,103,522

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 11: DERIVATIVE FINANCIAL INSTRUMENTS

	2015		2014	
	Fair value of asset	Fair value of liability	Fair value of asset	Fair value of liability
Current				
Option foreign exchange contracts	**15,526**	**-**	-	-
Amortising interest rate swaps	**-**	**294,383**	-	-
Forward foreign exchange contracts - cash flow hedges	**397,767**	**64,365**	-	-
	413,293	**358,748**	-	-
Non-current				
Amortising interest rate swaps	**-**	**838,964**	-	-
Forward foreign exchange contracts - cash flow hedges	**517,220**	**196,907**	-	-
	517,220	**1,035,871**	-	-

The maximum notional principal amount of the outstanding interest rate swap contracts at 30 June 2015 was £35,000,000 (~A$71,617,000) (30 June 2014: £nil).

At 30 June 2015, the fixed interest rates vary from 1.175% to 2.05% (30 June 2014: nil %), and the main floating rate is LIBOR.

NOTE 12: OTHER ASSETS

	2015 $	2014 $
Current		
Prepayments [1]	**117,540**	13,403,253
Accrued interest	**495**	-
Other assets [2]	**43,654**	58,812
	161,689	13,462,065
Non-current		
Other assets [2]	**20,110,873**	6,444,561

1 *Transaction costs relating to the senior debt facilities (see Note 17) were recognised as a prepayment as at 30 June 2014 as the facilities remained undrawn. As at 30 June 2015 the facilities were drawn and the transaction costs were allocated against the liability and amortised using the effective interest method.*

2 *Other assets comprise a bond agreement and cash collateral deposits the Group 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 Group to the satisfaction of the UK authorities. The two major non-current collateral deposits are a £9.05M (~$18.5M) financial provision for the restoration bond and a £0.75M (~$1.53M) environmental waste permit.*

NOTE 13: PROPERTY, PLANT & EQUIPMENT

	2015 $	2014 $
Plant and equipment		
At cost	**375,614**	220,539
Accumulated depreciation	**(176,858)**	(86,279)
	198,756	134,260
Motor vehicles		
At cost	**612,431**	235,478
Accumulated depreciation	**(196,441)**	(15,866)
	415,990	219,612
Total property, plant and equipment	**614,746**	353,872

	Motor vehicles $	Plant and equipment $	Total $
Balance at 30 June 2013	-	58,929	58,929
Additions	235,478	107,330	342,808
Depreciation expense	(15,866)	(35,133)	(50,999)
Effect of foreign currency exchange differences	-	3,134	3,134
Balance at 30 June 2014	219,612	134,260	353,872
Additions	346,459	137,092	483,551
Depreciation expense	(164,605)	(81,972)	(246,577)
Effect of foreign currency exchange differences	14,524	9,376	23,900
Balance at 30 June 2015	415,990	198,756	614,746

NOTE 14: DEVELOPMENT EXPENDITURE

	2015 $	2014 $
Mine development expenditure		
Brought forward	**119,669,556**	31,895,741
Effect of foreign currency exchange differences	**15,497,061**	3,562,239
Expenditure capitalised during the year	**161,816,512**	84,211,576
	296,983,129	119,669,556

The ultimate recoupment of mine development expenditure is dependent on the successful commercial development of the Project, including positive cashflows from production.

NOTE 15: TRADE PAYABLES

	2015 $	2014 $
Current		
Trade payables [1]	**8,784,395**	2,466,599
Accrued borrowing costs	**909,791**	306,075
Sundry payables and accrued expenses [2]	**4,758,710**	22,828,093
	14,452,896	25,600,767

1 *Trade and other payable are generally settled within 30 days.*

2 *Accrued expenses at 30 June 2015 related to work performed by suppliers during June but not invoiced at period end, including the June monthly mining service claims from CA Blackwell for $3.7m. The mining service payments have been capitalised as part of Mine Development assets (Note 14).*

NOTE 16: PROVISIONS

	Mine rehabilitation [1] $	Employee benefits $	Total $
Opening balance at 1 July 2014	2,058,561	126,789	2,185,350
Additional provisions	3,014,967	99,760	3,114,727
Balance at 30 June 2015	5,073,528	226,549	5,300,077

	2015 $	2014 $
Analysis of total provisions		
Current	**172,843**	126,789
Non-current	**5,127,234**	2,058,561
	5,300,077	2,185,350

1 *The 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.*

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.

The discount rate used in the calculation of the provision as at 30 June 2015 is 3% per annum. The value of the undiscounted provision is $7,084,083.

NOTE 17: INTEREST-BEARING LIABILITIES

	2015 $	2014 $
Current		
Senior secured loan	**7,328,596**	-
Non-current		
Senior secured loan	**90,071,146**	-
Details of the senior secured loan at 30 June 2015		
Senior secured loan – Tranche A	**51,443,587**	-
Senior secured loan – Tranche B	**61,097,413**	-
Less: unamortised transaction costs	**(15,141,258)**	-
	97,399,742	-

Senior secured loan and bond facility

On 10 May 2013 the Group signed documentation with UniCredit Bank AG, London Branch; ING Bank N.V.; and Caterpillar Financial SARL for £75 million in senior debt finance facilities, incorporating a £70 million term loan facility and a £5 million bond facility. The term loan facility comprises two tranches, A and B, amounting to £32 million and £38 million respectively.

The financing structure includes a portion of the senior debt facilities being supported by a guarantee provided by the German government's Untied Loan Guarantee Scheme (Ungebundene Finanzkredite ("UFK")). The UFK Guarantee was issued in favour of the tranche A lenders relating to a minimum 90% of the tranche A element of the facility, in respect of commercial and political risks. An additional guarantee is in place through the Group's tungsten off-take partners, Wolfram Bergbau und Hütten AG and Global Tungsten & Powders Corp. Under the terms of the guarantee the Group has pledged the receivables due from the off-take partners as security for the loan facility. Together, these guarantees will cover approximately 50% of the senior loan facility.

The senior debt facility has a term of 7.5 years and repayments are to be made on a quarterly basis, commencing approximately six months after first production. As at 30 June 2015 £55 million (2014: nil) of the term loan has been drawn down and £5 million of the bond facility has been utilised.

Financing arrangements

The following financing arrangements were in place at the year end date:

Name	Currency	Availability	Maturity	Interest	Limit	Drawn/ Utilised	Undrawn
Senior secured Loan	GBP	10 May 2013	7.5 years	LIBOR + 4.25%	£70 million	£55 million	£15 million
Bond facility	GBP	10 May 2013	7.5 years	2.75%	£5 million	£5 million	-

NOTE 18: ISSUED CAPITAL

	2015 $	2014 $
809,422,200 (2014: 807,845,616) fully paid ordinary shares	**226,982,428**	226,295,680

	2015		2014	
	Number	$	Number	$
a. Ordinary shares				
At the beginning of reporting period	**807,845,616**	**226,295,680**	198,017,660	45,698,632
Shares issued during the year				
- 21 May 2014	**-**	**-**	608,938,956	182,681,687
- 6 June 2014	**-**	**-**	742,000	222,600
- 31 March 2015	**136,366**	**54,547**	-	-
- 30 June 2015	**113,820**	**47,804**	-	-
- Options/Rights exercised during the year	**1,326,398**	**613,487**	147,000	52,185
Share issue expenses	**-**	**(29,090)**	-	(2,359,424)
At reporting date	**809,422,200**	**226,982,428**	807,845,616	226,295,680

NOTE 18: ISSUED CAPITAL *(cont.)*

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;

» 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 Stock 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 23 Share-based Payments.

For information relating to share options and performance rights issued to key management personnel during the financial year, refer to Note 23 Share-based Payments.

NOTE 19: RESERVES

Share based payments reserve

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

	2015		2014	
	Number	$	Number	$
Balance 1 July	**7,135,355**	**2,498,535**	7,985,355	2,498,535
Issued during the year to key management personnel	**4,170,363**	**153,320**	147,000	52,185
Issued during the year to finance providers	**-**	**-**	-	-
Exercised during the year	**(1,326,398)**	**(153,376)**	(147,000)	(52,185)
Expired during the year	**(850,000)**	**(921,599)**	(850,000)	-
Balance 30 June	**9,129,320**	**1,576,880**	7,135,355	2,498,535

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.

	2015 $	2014 $
Balance 1 July	**4,881,440**	871,707
Foreign currency differences during the year	**27,246,309**	4,009,733
Balance 30 June	**32,320,001**	4,881,440

NOTE 19: RESERVES *(cont.)*

Cash flow hedge reserve

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

	2015 $	2014 $
Balance 1 July	**-**	-
Cash flow hedge, net of tax	**653,715**	-
Balance 30 June	**653,715**	-

NOTE 20: COMMITMENTS

(a) Development commitments

Under the terms of the forty year lease for the minerals and rights at the Project the Company has to pay an annual rent of ~$141,660 (£69,231) indexed annually. The option lapses if the Company fails to maintain its obligations under the lease.

Under the same option agreement the Company is required to procure security for various parties in the event that it is not able to meet its contractual obligations in terms of environmental rehabilitation and restoration at the conclusion of the Project. Included within other receivables are deposits and cash collateral amounting to~ $20,090,183(£9,818,289) (2014: ~$7,344,602 (£3,589,386)) in respect of the bonds in place at year end.

(b) Lease expenditure commitments

	2015 $	2014 $
Not longer than one year	**127,934**	184,064
Longer than one year, but not longer than five years	**415,333**	-
	543,267	184,064

The Group has entered into the following leases on commercial terms for office accommodation:

Location	Term	Expiry
22 Railway Road Subiaco	4 years	19 June 2019

(c) Other contractual commitments

Construction Contract

In 2013 Wolf Minerals (UK) Limited awarded a £75 million Engineer Procure Construct ("EPC") contract for the Project to GRES.

The fixed price, fixed term EPC contract is for the design, construction and commissioning of a 3Mtpa tungsten and tin mineral processing plant plus associated infrastructure, forming the key component of the Project.

Capital expenditure contracted for but not yet provided for at 30 June 2015 in respect to the EPC contract is $5,834,265 (~£2,851,268).

NOTE 20: COMMITMENTS *(cont.)*

Mining Services Contract

In 2013 Wolf Minerals (UK) Limited awarded an £85 million Mining Services Contract ("MSC") for the Project to CA Blackwell (Contracts) Limited.

The MSC is rates-based and made up of two parts:

» Phase 1, Mining pre-strip and Mine development;

» Phase 2, Mine production.

The MSC term for phase one has been extended to 31 March 2016, followed by phase 2 which has a five year term from completion of phase 1 work. The MSC is able to be terminated by Wolf at any time with 60 days' notice.

Supply agreements

The Group has signed supply agreements for the future sale of mining outputs from the Project. These agreements are contingent on the Company meeting certain milestones in the project and contracted quantities being met; if these conditions are not met the agreements are terminable at the discretion of the buyer.

NOTE 21: 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 operates in the tungsten and tin industry of the mining and materials sector in the United Kingdom.

NOTE 22: CASH FLOW INFORMATION

	2015 $	2014 $
Reconciliation of cash flow from operations with profit after income tax		
Net loss	**(8,761,962)**	(3,731,574)
Non cash flows in profit		
Depreciation	**246,577**	50,999
Financial instrument expense	**1,030,688**	-
Equity compensation benefits	**255,670**	52,185
Foreign exchange differences	**535,686**	(2,659,322)
Finance costs	**152,591**	1,077,389
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in trade and term receivables	**566,705**	610,623
(Increase)/decrease in prepayments	**(52,296)**	(29,702)
Increase/(decrease) in trade payables and accruals	**(166,489)**	525,759
Increase/(decrease) in employee based provisions	**99,760**	(40,806)
Cash flow from operations	**(6,093,070)**	(4,144,449)

NOTE 23: SHARE BASED PAYMENTS

Included under equity compensation benefits expense in the statement of comprehensive income is $225,670 (2014: $52,185), 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.

	2015		2014	
	Number of options/rights	Weighted average exercise price	Number of options/rights	Weighted average exercise price
	Number	$	Number	$
Options issued to key management personnel				
Outstanding at the beginning of the year	**850,000**	**0.34**	1,700,000	0.35
Options exercised	**-**	**-**	-	-
Granted	**850,000**	**0.34**	-	-
Options expired	**(850,000)**	**0.34**	(850,000)	0.35
Outstanding at year end	**850,000**	**0.34**	850,000	0.34
Exercisable at year end	**850,000**	**0.34**	850,000	0.34
Issued to shareholders				
Outstanding at the beginning of the year	**6,285,355**	**0.30**	6,285,355	0.30
Granted	**-**	**-**	-	-
Exercised	**(1,326,398)**	**0.30**	-	-
Outstanding at year end	**4,958,957**	**0.29**	6,285,355	0.30
Exercisable at year end	**4,958,957**	**0.29**	6,285,355	0.30
Rights issued to key management personnel				
Outstanding at the beginning of the year	**366,945**	**-**	783,612	-
Rights exercised	**-**	**-**	(147,000)	-
Granted	**2,953,418**	**-**	147,000	-
Rights expired	**-**	**-**	(416,667)	-
Outstanding at year end	**3,320,363**	**-**	366,945	-
Exercisable at year end	**-**	**-**	-	-

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

The weighted average contract life remaining at 30 June 2015 was:

- Options 2.7 years
- Rights 2.65 years

NOTE 23: SHARE BASED PAYMENTS *(cont.)*

Option issues

During the period ending 30 June 2015 the Company issued 850,000 options to an employee.

The options were valued using the Black Scholes valuation model with the key inputs and valuations summarised in the table below.

Item	
Underlying price	$0.25
Exercise price	$0.34
Valuation date	18/12/2014
Expiry date	30/11/2015
Historical volatility	38.80%
Risk free rate	2.96%
Number of option	850,000
Value per option	$0.0144
Probability	80%
Value of issue	$9,795

The options vested upon issue and a total expense of $9,795 has been recognised in the statement of profit or loss and other comprehensive income as part of equity compensation benefits.

Performance Right issues

During the year ended 30 June 2015, the Company issued 2,953,418 performance rights to employees in accordance with the Wolf Minerals Limited Performance Rights Plan as readopted by shareholders at the Annual General Meeting held on 21 November 2014.

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.

Vesting conditions	a)	b)	a)	b)
Underlying security spot price	$0.26	$0.26	$0.26	$0.26
Exercise price	Nil	Nil	Nil	Nil
Valuation date	21/11/2014	21/11/2014	21/11/2014	21/11/2014
Expiration date	30/06/2016	30/06/2016	30/06/2017	30/06/2017
Performance period (years)	2.00	2.00	3.00	3.00
Volatility	60%	60%	60%	60%
Risk free rate	2.53%	2.53%	2.56%	2.56%
Dividend Yield	Nil	Nil	Nil	Nil
Number of performance rights	730,715	730,714	745,995	745,994
Valuation per performance right	$0.185	$0.128	$0.193	$0.136
Valuation per tranche	$135,182	$93,531	$143,977	$101,455

NOTE 23: SHARE BASED PAYMENTS *(cont.)*

As at 30 June 2015, the unissued ordinary shares of Wolf Minerals Limited under options or rights are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option	Number of Rights
16/10/12	16/10/15	$0.33	529,845	-
16/10/12	16/10/15	$0.39	226,342	-
18/12/14	30/11/15	$0.34	850,000	-
09/01/13	01/01/16	$0.33	529,845	-
09/01/13	01/01/16	$0.39	226,342	-
30/01/13	30/01/16	$0.33	172,776	-
30/01/13	30/01/16	$0.39	73,807	-
22/05/13	22/05/16	$0.26	3,200,000	-
28/11/14	30/06/16	$0.00	-	1,461,429
28/11/14	30/06/17	$0.00	-	1,491,989
04/11/11	22/12/20	$0.00	-	366,945
			5,808,957	3,320,363

* The weighted average exercise price is $0.19 per share.

NOTE 24: RELATED PARTY DISCLOSURES

i. Interests in controlled entities are disclosed in Note 2.

ii. No amounts in addition to those disclosed in Note 6 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 $4,344,322 for management fees (2014: $5,126,051). At 30 June 2015 $1,157,180 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 25: FINANCIAL RISK MANAGEMENT

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.

NOTE 25: FINANCIAL RISK MANAGEMENT *(cont.)*

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 the Great British Pound 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 the period, the Consolidated Entity has 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:

	Sell USD		Average exchange rates	
	2015 $	2014 $	2015	2014
Buy GBP				
Maturity:				
0 - 6 months	**7,187,562**	-	**1.5617**	-
6 - 12 months	**15,973,236**	-	**1.5465**	-
12+ months	**33,025,648**	-	**1.5566**	-

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

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.

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 2015						
Trade and other payables	14,452,896	-	-	-	14,452,896	14,452,896
Interest-bearing borrowings	12,277,200	38,877,800	61,386,000	-	112,541,000	97,399,742
	26,730,096	38,877,800	61,386,000	-	126,993,896	11,852,638
30 June 2014						
Trade and other payables	25,600,767	-	-	-	25,600,767	25,600,767
Interest-bearing borrowings	-	-	-	-	-	-
	25,600,767	-	-	-	25,600,767	25,600,767

NOTE 25: FINANCIAL RISK MANAGEMENT *(cont.)*

Financing arrangements

The borrowing facilities in place at the reporting date are disclosed in note 17.

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

The Group is not exposed to commodity price risk until it commences production.

The Group holds the following financial instruments:

	2015 $	2014 $
Financial assets		
Cash and cash equivalents	**34,417,454**	102,819,455
Trade and other receivables	**6,220,598**	6,103,522
Other current assets	**161,689**	58,812
Derivative financial instruments	**930,513**	-
Other non-current assets	**20,110,873**	6,444,561
	61,841,127	115,426,350
Trade and other receivables are expected to be received as follows:		
Less than 1 month	**6,220,598**	6,103,522
Less than 6 months	**-**	-
Financial liabilities		
Trade and sundry payables	**14,452,896**	25,600,767
Interest bearing liabilities	**97,399,742**	-
Derivative financial instruments	**1,394,619**	-
	113,247,257	25,600,767
Trade and sundry payables are expected to be paid as follows:		
Less than 1 month	**14,452,896**	25,600,767
Less than 6 months	**-**	-

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.

NOTE 25: FINANCIAL RISK MANAGEMENT *(cont.)*

Interest rate risk exposure analysis

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed/Non Interest Bearing	
	2015 %	2014 %	2015 $	2014 $	2015 $	2014 $
Financial assets						
Cash at bank and on hand	**1.11**	0.54	**34,417,454**	102,819,455	**-**	-
Receivables	**-**	-	**-**	-	**6,220,598**	6,103,522
Other current assets	**-**	-	**-**	-	**161,689**	58,812
Derivative financial instruments	**-**	-	**-**	-	**930,513**	-
Other non-current assets	**-**	-	**-**	-	**20,110,873**	6,444,561
			34,417,454	102,819,455	**27,423,673**	12,606,895
Financial liabilities						
Payables	**-**	-	**-**	-	**14,423,159**	25,600,767
Interest bearing liabilities	**4.81**	-	**97,399,742**	-	**-**	-
Derivative financial instruments	**-**	-	**-**	-	**1,394,691**	-
			97,399,742	-	**15,817,850**	25,600,767

Interest rate sensitivity analysis

At 30 June 2015, 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:

	2015 $	2014 $
Change in profit		
Increase in interest rate by 0.5% (50 basis points)	**145,402**	127,236
Decrease in interest rate by 0.5% (50 basis points)	**(145,402)**	(68,913)
Change in equity		
Increase in interest rate by 0.5% (50 basis points)	**145,402**	127,236
Decrease in interest rate by 0.5% (50 basis points)	**(145,402)**	(68,913)

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 the period, the Consolidated Entity has 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:

NOTE 25: FINANCIAL RISK MANAGEMENT *(cont.)*

	Assets		Liabilities	
	2015 $	2014 $	2015 $	2014 $
Consolidated				
Pounds sterling	**54,589,036**	93,962,086	**113,118,640**	24,753,221
US dollars	**53,992**	754,062	**-**	-
	54,535,044	94,716,148	**113,118,640**	24,753,221

	2015 $	2014 $
Change in profit		
Improvement in AUD by 5%	**1,205,634**	(136,640)
Decline in AUD by 5%	**(1,205,634)**	136,640
Change in equity		
Improvement in AUD by 5%	**1,205,634**	(136,640)
Decline in AUD by 5%	**(1,205,634)**	136,640

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

NOTE 26: 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.

	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Option foreign exchange contracts	-	15,526	-	15,526
Forward foreign exchange contracts	-	914,987	-	914,987
	-	930,513	-	930,513
Liabilities				
Amortising interest rate swaps	-	1,133,348	-	1,133,348
Forward foreign exchange contracts	-	261,271	-	261,271
	-	1,394,619	-	1,394,619

At 30 June 2014, the Consolidated Entity did not have any assets or liabilities, measured or disclosed at fair value.

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.

NOTE 27: PARENT ENTITY DISCLOSURES

	2015 $	2014 $
Financial position		
Assets		
Current assets	**7,247,293**	20,000,274
Non-current assets	**232,744,058**	205,544,187
	239,991,351	225,544,461
Liabilities		
Current liabilities	**811,156**	1,116,842
Non-current liabilities	**53,706**	-
	864,862	1,116,842
Net assets	**239,126,489**	224,427,619
Equity		
Issued capital	**226,982,428**	226,295,680
Equity settled benefits	**1,576,879**	1,576,936
Accumulated losses	**10,567,182**	(3,444,997)
Total equity	**239,126,489**	224,427,619
Financial performance		
Income for the year [1]	**14,021,179**	-
Other comprehensive income	**-**	-
Total comprehensive income	**14,021,179**	-

1 *The income mainly relates to the revaluation of temporary inter-company loans before they were settled for cash and shares.*

The Parent Entity has no contingent liabilities or guarantees outstanding at 30 June 2015 other than a $46,540 rental guarantee.

NOTE 28: DIVIDENDS

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

NOTE 29: CONTINGENT ASSETS AND LIABILITIES

As at reporting date the Group had no contingent assets or liabilities other than a rental guarantee of $46,540.

NOTE 30: EVENTS AFTER THE BALANCE SHEET DATE

No matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the consolidated group's operations, the results of those operations, or the consolidated group's state of affairs in future financial years.

NOTE 31: COMPANY DETAILS

The registered office and principal place of business address is:

Level 3, 22 Railway Road, SUBIACO WA 6008

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 and is provided as at 11 August 2015.

SHAREHOLDINGS

a. Distribution of Shareholders

Category (size of holding)	Distribution of holders
1 – 1,000	71
1,001 – 5,000	245
5,001 – 10,000	172
10,001 – 100,000	416
100,001 – and over	87
	991

There are no shareholdings held in less than marketable parcels.

b. The Names of the Substantial Shareholders Listed in the Holding Company's Register are:

Shareholder	Number of Ordinary Shares
Resource Capital Fund V LP	337,669,237
TTI (NZ) Limited	260,553,459
Computershare Clearing	107,853,230
Traxys Projects LP	55,506,776

Note: Computershare Clearing is the nominee account for the depositary interests that are traded on the Alternative Investment Market of the London Stock Exchange.

c. 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.

Additional Information *for Listed Public Companies (cont.)*

d. 20 Largest Shareholders – Ordinary Shares

No.	Name	Number of Ordinary Fully Paid Shares Held	Percentage of Ordinary Fully Paid Shares Held
1.	Resource Cap Fund V LP	337,669,237	41.72%
2.	TTI (NZ) Limited	260,553,459	32.19%
3.	Computershare Clearing	107,853,230	13.32%
4.	Traxys Projects LP	55,506,776	6.86%
5.	J P Morgan Nom Aust Ltd	4,612,726	0.57%
6.	ABN Amro Clearing Sydney	2,338,894	0.29%
7.	CITICORP Nom PL	1,676,611	0.21%
8.	Pershing Aust Nom PL	1,297,072	0.16%
9.	Russell Ralph + Hynes A M	1,287,731	0.16%
10.	Read-Smith M J + G M	1,236,953	0.15%
11.	Spar Nom PL	1,155,000	0.14%
12.	Aust Forestry Inv PL	947,833	0.12%
13.	Novacarta PL	910,298	0.11%
14.	Lewis Sharon	800,000	0.10%
15.	Humboldt Cap Corp	740,000	0.09%
16.	Hale Humphrey	673,000	0.08%
17.	BF Assoc PL	645,887	0.08%
18.	UBS Nom PL	573,722	0.07%
19.	Fleurbow PL	537,602	0.07%
20.	Homewood Inv Ltd	529,040	0.07%
		781,545,071	96.56%

1. The names of the joint company secretaries are Richard Lucas and Pauline Carr.

2. The address of the principal registered office in Australia is:

Level 3, 22 Railway Road, SUBIACO WA 6008
Telephone +61 (08) 6364 3776

3. Registers of securities are held at the following address in Western Australia is:

Security Transfer Registrars Pty Ltd
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 and the Alternative Investment Market of the London Stock Exchange Limited.

5. Unquoted Securities

Ordinary Shares
– Nil.

Options over Unissued Shares
– A total of 5,808,957 unquoted options and 3,320,363 unquoted rights are on issue. Of these 850,000 options are on issue to an employee, 3,320,363 rights are on issue to employees and 4,958,957 are on issue to a shareholder.


Fire
extinguisher

Wolf Minerals Limited

Level 3, Suite 25, 22 Railway Road, Subiaco
Western Australia 6008
T +61 8 6143 2070 **I** **E** admin@wolfminerals.com

Wolf Minerals (UK) Limited

Drakelands Mine, Drakelands
Plymouth PL7 5BS
T +44 (0) 1752 393116 **I** **E** adminuk@wolfminerals.com

www.wolfminerals.com