

28 October 2015

## Quarterly Activities Report

For the Three Months Ended 30 September 2015

Specialty metals company, Wolf Minerals Limited (ASX: WLF, AIM: WLFE) (“**Wolf**” or “**the Company**”) is pleased to provide the following update on its recently developed Drakelands open pit mine (“**Drakelands**”) constructed at the Company’s world class Hemerdon tungsten and tin project (“**the Project**”) in Devon, southwest England, for the three month period to 30 September 2015.

### Highlights for the September 2015 quarter include:

- ✓ Commissioning of the processing plant at Drakelands completed.
- ✓ Wolf now in full operational control of processing plant following handover from GR Engineering Services (“**GRES**”).
- ✓ First shipments of tungsten concentrate from Drakelands to customers in Europe and USA.
- ✓ Successful official opening ceremony conducted with over 200 local and international guests.
- ✓ Development expenditure of A\$11.8 million for the quarter.
- ✓ 213 days Lost Time Injury free days achieved.

Commenting on the September quarter performance, Wolf’s Managing Director, Russell Clark said:

*“The conclusion of commissioning activities in the September quarter, only 18 months after construction commenced, represents another major milestone in the development of Drakelands. With the inaugural shipments also taking place during this period, it was a successful quarter for Wolf.”*

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

### Capital Structure

809.4 M ordinary shares  
5.1 M unlisted options

Mkt Cap @ 31.0c: ~A\$250.9M  
Mkt Cap @ 14.5p: ~ £117.4M

### Board of Directors

John Hopkins OAM  
Non-Executive Chairman

Russell Clark  
Managing Director

Ronnie Beevor  
Non-Executive Director

Nick Clarke  
Non-Executive Director

Chris Corbett  
Non-Executive Director

Don Newport  
Non-Executive Director

Michael Wolley  
Non-Executive Director

Richard Lucas  
Chief Financial Officer

Pauline Carr and Richard Lucas  
Joint Company Secretaries  
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*“Drakelands is now under Wolf’s operational control and operating seven days a week on a trial basis. The focus in the next quarter will be ramping up the plant towards full production and optimising plant performance.”*

*“The Company has now realised its ambition of becoming a tungsten producer and we expect to provide a reliable, high quality supply of concentrate to our customers for many years into the future.”*

### **Project Commissioning Complete**

Construction of the processing plant started on site in March 2014 and wet commissioning of the plant commenced in June 2015. During the September quarter, the entire processing plant, and all the equipment within it, ran successfully thereby satisfying the requirements for handover to Wolf from the Project’s Engineering-Procurement-Construction (“**EPC**”) contractor, GRES.

Following the completion of commissioning, the Company has commenced the ‘ramp-up’ of the processing plant towards full production. Design throughput of the plant is expected to be achieved in early 2016.

The Drakelands mine and processing plant are now operating on a seven days a week basis under a six month trial which will run through to March 2016. If the trial is successful Wolf will apply to make the arrangement permanent. A permanent change would increase available operating time by more than 27% in comparison to the original permission for a 5½ day working week and provide the opportunity to produce additional volumes of tungsten and tin concentrates with no further capital expenditure. It also provides the opportunity to lower operating costs, pushing the operation further down the tungsten concentrate production cost curve, as well as generate additional employment opportunities.

The total development expenditure for the September 2015 quarter was A\$11.8 million with the majority related to payments for construction progress to the EPC contractor and the mining contractor.

Safety is a core value of Wolf and the Drakelands site reached 213 days Lost Time Incident (LTI) free during the quarter. Disappointingly towards the end of the quarter a LTI occurred when an employee slipped on office steps and fell, hurting his back. The Company is refocusing its safety efforts to extend the LTI free period going forward.

## Official Opening Ceremony

The official opening ceremony, held on site at Drakelands on 17 September, was attended by over 230 local and international guests and dignitaries including Australian High Commissioner to the UK, The Hon Alexander Downer AC, Her Majesty's Lord-Lieutenant of Devon – David Fursdon Esq, representatives from the local community, UK Government, regulators, customers and shareholders, all of whom have played key roles in the successful delivery of the Project.

Wolf has been working to make the Project a reality since 2007 and the development of Drakelands has only been possible with the hard work and enthusiasm of the Project and management teams and the support from many stakeholders.

The successful financing, development and construction of the Project marks the realisation of the Company's goal of building and operating the first new metal mine in Great Britain for 45 years. Wolf has invested more than £140 million into the Project and has created more than 200 permanent jobs, and the mine is expected to make a substantial contribution to the Plymouth, Devon and UK economies over the next decade.

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

By the end of the quarter the £75 million senior debt finance facilities were fully drawn to fund the construction of the Project.

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

## Mining Tenements

As at 30 September 2015, the Company has an interest in the following projects:

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

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

## Planned Upcoming Activities

In the December 2015 quarter, Wolf will continue to progress the operations at Drakelands, with a focus on ramping up and optimising production at the processing plant.

Details of proposed activities include:

- Continuing the trial of seven days a week and 24 hour operations of the processing plant.
- Continuing deliveries of tungsten concentrate to customers, and undertaking inaugural deliveries of tin concentrate.
- Ramp up of the processing plant towards full production, scheduled for early 2016.
- Continuing to build the Mine Waste Facility.
- Annual General Meeting to be held on 16 November 2015 in West Perth, Western Australia.



*Photograph 1: Aerial view of completed Drakelands processing plant*



*Photograph 2: First delivery of tungsten concentrate being loaded*



*Photograph 3; Official opening by David Fursdon Esq, Her Majesty's Lord- Lieutenant of Devon and John Hopkins OAM, Chairman of Wolf Minerals Limited*



## Tungsten Market Trends

The tungsten market is relatively opaque due to its concentrated structure, with only a small number of tungsten concentrate suppliers and consumers outside of China. Typically sales occur under long-term contracts, and it is commonplace for consumers to also have financial involvement in tungsten supply sources.

Prices for tungsten concentrates tend to follow the same trend as prices for ammonium paratungstate ("**APT**"), which is the key intermediary product in the tungsten supply chain. APT prices for spot market transactions are published by several data providers including Metal Bulletin and Metal Pages with prices established through surveys of buyers, sellers and other industry participants.

The average APT Price published by Metal Bulletin for the quarter was US\$206/mtu (FOB Europe), a 15% reduction from the average price for the previous quarter, and some US\$154/mtu lower than when construction commenced in March 2014.

During the June quarter the demand for tungsten concentrate remained sound in Japan and Europe as a result of steady output from the automotive sector. Demand in other regions slowed as a result of softening in the mining, oil and fracking industries and the economic slowdown in China.

Current market conditions appear to have resulted in some supply being withdrawn from the market with some producers reportedly shutting down, and overall trading volumes are lower than in previous years. New supply from projects outside of China is expected to be limited for the next few years which may result in a tighter supply scenario.

## Corporate

The Company did not issue any shares during the quarter.

Shareholder approval is being sought at the Company's forthcoming Annual General Meeting for the continuation of the Directors' Share Plan ("**Plan**") and the issue of shares under the Plan to non-executive Directors for the 2015/16 financial year. Under the Plan non-executive Directors receive a portion of their fees in shares, allowing the Company to preserve its cash reserves. Subject to shareholder approval of the Plan, shares for the quarter ended 30 September 2015 will be issued to non-executive Directors shortly after the AGM.

## Investor Relations

The Company has continued to promote itself in Australia and the UK with a number of roadshows and targeted investor presentations being undertaken.

The Company's latest Investor Presentation and corporate video which contains footage of recent construction activities can be seen at the Company's website at [www.wolfminerals.com.au](http://www.wolfminerals.com.au).

## About Wolf Minerals

*Wolf Minerals is a dual listed ("ASX: WLF", "AIM: WLFE") specialty metals company. With global demand for tungsten rising and future global production expected to be constrained, Wolf Minerals has recently completed the development of a large tungsten resource at its Drakelands Mine, located at Hemerdon, in southwest England.*

## ENDS

Russell Clark

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