

28 April 2016

Quarterly Activities Report

For the Three Months Ended 31 March 2016

Specialty metals producer, 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**”) at the Company’s world class Hemerdon tungsten and tin project in Devon, southwest England, for the three month period to 31 March 2016 (“the **Quarter**”).

Highlights for the Quarter include:

- ✓ Ramp-up of the processing plant at Drakelands continuing.
- ✓ Continuation of seven day, 24 hour operations approved by Devon County Council through to September 2016.
- ✓ Construction of replacement public road (“**Lee Moor Road**”) to facilitate future development is on track.
- ✓ Total cash expenditure of A\$16.8 million for the quarter with revenue of A\$3.8 million.

Subsequent to the end of the Quarter, the £25 million standby subscription facility with Resource Capital Funds (“**RCF**”) was approved by shareholders at a General Meeting held on 22 April 2016, with funds to be used to strengthen the Company’s balance sheet. Lenders provided certain waivers of and amendments to the senior secured loan conditions and granted relief up to 31 March 2017 from financial and other covenants as a result of the RCF facility being approved by shareholders.

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

“The tungsten price has remained soft throughout the Quarter and as a result the Company has arranged a £25 million standby subscription facility through its major shareholder RCF, which was recently approved by shareholders. As a result of this, the Company’s Lenders have agreed to provide a number of waivers and amendments to the senior loan conditions through to March 2017. These steps were critical to ensure the Company can continue to optimise the operational activity at Drakelands in a low tungsten price environment. We are seeing the tungsten price increase and remain confident that this will continue and Wolf, with its large production capacity and location in a first world country, will be well positioned when the market recovers.”

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*“The open pit is starting to take shape and blasting activities commenced during the Quarter as we’ve mined into harder, deeper material. The Mining Waste Facility (“**MWF**”) construction is on schedule, using waste from the mine and DMS rejects from the processing plant. The building of the Lee Moor Road diversion, away from the base of the MWF has continued and is expected to accelerate as we move into the spring and summer months. The takeover by Hargreaves Services Plc (“**Hargreaves**”) of the mining contractor, CA Blackwell Group Limited (“**Blackwell**”), has occurred seamlessly and is already providing tangible benefits at Drakelands.”*

*“We have continued with the ramp-up of the processing plant, focusing on run times, recovery and throughput. GR Engineering Services (“**GRES**”) remains on site providing support and minor modifications to the plant as necessary.”*

“The Company has approval to extend the seven days per week processing operation from March through to September 2016, and is working with the Devon County Council to extend the life of the Drakelands planning permission beyond 2021.”

Drakelands Operations

Overview

Although the weather during the Quarter was challenging, good progress continued to be made in the mine and the MWF.

The seven days a week, 24 hour operations trial of the processing plant has been extended for six months by Devon Country Council and will now run through to September 2016. The Company remains engaged with Devon County Council and the local community on the success of the trial, with a view to maintaining the arrangement on a permanent basis. In addition, the application to extend the duration of the planning permission at Drakelands is currently being processed by Devon County Council.

There was one lost time injury during the Quarter when an employee missed a shift following an electrical incident. Prior to this, the site had achieved 100 days LTI free at the end of February 2016.

The total cash expenditure for the Quarter was A\$16.8 million, including A\$3.9 million on development, A\$7.7 million on production and A\$4.1 million on debt service and repayment, with revenue of A\$3.8 million.

On 6 April 2016 the Company announced the appointment of Mr Alan Fearon as General Manager of Drakelands. Mr Fearon has taken over from Wolf’s long serving Operations Manager, Mr Jeff Harrison, who is retiring from full time employment and who was instrumental in the development and establishment of Drakelands, the first metal mine in the UK for almost 50 years. Mr Fearon is an experienced mining operations manager with wide-ranging experience in managing large mining and processing operations in environmentally sensitive areas with nearby communities.



Mining Activities

A total of 529,001 bank cubic metres (“**BCM**”) of material was moved during the Quarter with mining activities predominantly focused on the extraction of ore from benches on the northern end of the pit.

Regular blasting of the waste rock (killas) has successfully been introduced to the mining operation. Ground vibration and noise from the blasting are being measured with results well below prescribed levels.

The future development plan for the MWF requires Wolf to construct a replacement public road. Site works for this road continued during the Quarter and are on track for completion in 2016.

The Company will commence a small diamond drilling program in the open pit during the next quarter to gather additional data on particle size and the distribution of mineralisation within the ore body.

On 11 January 2016, it was announced that Blackwell, the mining services contractor at Drakelands, was being acquired by Hargreaves. Hargreaves is an AIM listed coal mining company and supplier of solid fuels and bulk material logistics. The acquisition of Blackwell is complementary to Hargreaves’ existing nine open pit mining operations across the UK. Hargreaves has been working collaboratively with Wolf on the mining operations at Drakelands.

Processing Plant

Wolf gained full operational control of the Drakelands processing plant from GRES in the September 2015 quarter. Wolf has continued to work with GRES on those items which were outstanding at hand over and this work was largely completed in the Quarter.

During the Quarter the Company concentrated on increasing overall run times in the plant and building throughout tonnages.

Further manufacturing faults in a number of pieces of equipment were experienced in the Quarter impacting overall run times and resulting in over 20 days of unplanned down time since start up. The faults have been rectified under warranty and Wolf is working with the manufacturers and GRES to prevent future failures. However the down time has impacted production of tungsten concentrate during the period.

The processing plant treated 310,949 tonnes of ore during the Quarter and produced 17,607 metric tonne units (“**mtus**”) of tungsten concentrate.

A number of design improvements for the tin circuit were identified during the Quarter. Implementation of the improvements, with a corresponding positive impact on production, is expected to be completed in the June 2016 quarter.

Given the continuing softness of the tungsten price, the Company has taken steps to reduce its costs through active engagement with suppliers and reviewing manning levels at Drakelands.

£75M Senior Debt Finance

The first repayment of the £75 million senior debt finance facilities was made in January 2016 for £497,000 (A\$934,000). The second repayment is due in April 2016.

The senior debt finance facilities, comprising a £70 million term loan facility and a £5 million bond facility, have been provided by a consortium of global mining financiers including UniCredit Bank AG, London Branch, ING Bank N.V. and Caterpillar Financial Services (UK) Limited.

£25M Standby Subscription Facility with RCF

The tungsten price has not been immune from the general fall in commodity prices, halving since the project commenced construction in March 2014, and remaining well below the levels used in the definitive feasibility study. As a result, and to facilitate the ramp up and optimisation of the plant, as well as to service scheduled debt repayments, it became necessary to strengthen the Company's balance sheet. With the support of its major shareholder RCF, the Company arranged a £25 million standby subscription facility which was approved by shareholders subsequent to Quarter end on 22 April 2016. The subscriptions are for fully paid ordinary shares in the Company and will be purchased at 9.19 pence per share (approximately A\$0.17 per share), a significant premium to the share price at the end of the Quarter. An initial subscription request for £16 million has been made by the Company in April.

In addition, the Company's Lenders agreed to provide a number of waivers and amendments to the senior loan conditions through to March 2017. These steps were critical to ensure the Company can continue to optimise the operational activity at Drakelands in a low tungsten price environment. The Company remains confident that the tungsten price will continue to strengthen and Wolf, with its large and secure first world country production, will be well positioned for the recovery.

Mining Tenements

As at 31 March 2016, 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 June 2016 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, 24 hour operations of the processing plant, with increasing production of tungsten and tin concentrates.
- Increasing overall plant run times and evaluating opportunities to optimising production.
- Continuing to build the MWF.
- Continuing to build the Lee Moor Road diversion.

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.

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\$172/mtu (FOB Europe), a 3% reduction from the average price for the December quarter, and some US\$188/mtu lower than when construction commenced in March 2014. As at the date of this report, the APT Price published by Metal Bulletin was US\$188 – 210/mtu.

Demand for tungsten concentrate during the Quarter was similar to the December quarter with sound interest in Japan and Europe from the automotive and aerospace sectors while demand from other regions remained low as a result of soft conditions in the mining, oil and fracking industries.

Corporate

The Company issued 177,967 ordinary shares during the Quarter to the Company's Non-Executive Directors under the Wolf Minerals Limited Directors' Share Plan approved by shareholders at the Company's Annual General Meeting on 16 November 2015. Under the Plan, non-executive Directors receive a portion of their fees in shares, allowing the Company to preserve its cash reserves.

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 activities can be seen at the Company's website at www.wolfminerals.com.au.

ENDS

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About Wolf Minerals

Wolf Minerals is a dual listed ("ASX: WLF", "AIM: WLFE") specialty metals producer. 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.