

ASX ANNOUNCEMENT

21st December 2012



Wolf completes A\$20.3m placement for Hemerdon tungsten project

Wolf Minerals Limited (ASX: WLF, AIM: WLFE) ("Wolf", "the Company") is pleased to announce that it has completed a placement to raise A\$20.3 million as part of the funding package required to bring the Hemerdon Tungsten and Tin Project in Devon, Southwest England into production.

Highlights

- Wolf has received subscriptions for 75,378,519 shares at A\$0.27 (c.17p) per share (the "Subscription Shares")
- Funds will be utilised to provide working capital to commence the Hemerdon project, repay the existing \$6 million loan facility provided by Resource Capital Fund V L.P. ("RCF") and purchase properties around the Hemerdon site
- Price represents a premium of 12% over Wolf's 30 day VWAP
- Completion of the Placing will satisfy a key condition of the Bridge Finance Facility and Royalty Agreement provided by RCF
- Introduction of a new strategic investor, TTI (NZ) Limited, who will acquire a 19.9% interest in the Company
- Subscription supported by both RCF and Traxys Projects LP ("Traxys")

The Placement

The placement is a key milestone for Wolf, as it provides the funding for the Company to commence the construction of the Hemerdon Project.

Funds provided by this placement will be used to provide working capital to commence the Hemerdon project, repay the existing \$6 million RCF loan facility and purchase properties around the Hemerdon site.

Wolf Minerals Limited
ASX: WLF AIM: WLFE

Capital Structure

114.13M ordinary shares
6.33M unlisted options

Mkt Cap @ 27c: ~A\$30.8M
Mkt Cap @ 20p: ~£22.8M

Board of Directors

John Hopkins
Non-Executive Chairman

Humphrey Hale
Managing Director

Jim Williams
Non-Executive Director

Don Newport
Non-Executive Director

Chris Corbett
Non-Executive Director

Jonathan Downes
Non-Executive Director

Adrian Byass
Non-Executive Director

Richard Lucas
Company Secretary

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The placement also facilitates the introduction of a new strategic investor, TTI (NZ) Limited, to assist in the development of the Hemerdon project. TTI (NZ) Limited has subscribed for 39,410,000 shares for a 19.9% interest in Wolf.

TTI (NZ) Limited is a wholly owned subsidiary of the Todd Corporation Limited, a private New Zealand-based company with a diversified portfolio of business interests. As part of its investment, TTI (NZ) Limited will be entitled to nominate a Director to join the Wolf board.

RCF and Traxys, two of the Company's major shareholders, have also demonstrated their continued support by agreeing to subscribe for 27,450,000 ordinary shares and 6,666,667 ordinary shares respectively. The remainder of the placement shares will be placed with existing sophisticated investor shareholders.

The placement satisfies a key condition of the US\$75 million Bridge Finance Facility and US\$7 million royalty provided by RCF (announced on 7 December 2012), providing the funding to allow Wolf to commence the Hemerdon tungsten project.

The completion of this placement is a strong vote of confidence by Wolf's major shareholders in the strength and robust financial viability of the Hemerdon project.

The issue of the Subscription Shares is conditional upon the receipt of shareholder approval. A notice of meeting seeking shareholder approval for, *inter alia*, the issue of the Subscription Shares, the RCF Bridge Facility and the Royalty, including an independent expert's report, will be released in due course.

Wolf Minerals' Managing Director Humphrey Hale said:

"We are delighted to complete this placement, which sees the Company funded to commence the development of the Hemerdon project and to welcome TTI (NZ) Limited to the register to assist us in taking the project into production. Wolf places great value in the good working relationship it has with its senior shareholders as we work to bring the Hemerdon project into production as a world class source of tungsten supply."

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The next steps

Now that the Wolf has funding to commence the development of the project, the key milestones for the Company include:

1. Completion of the documentation for the Senior debt facilities and offtake supply agreements.
2. Wolf will appoint the EPC contractor to commence the design and construction of the processing plant and infrastructure.

An important step in the development of the project is the purchase of properties. The company will commence acquisition of properties in the New Year. Wolf has negotiated options to purchase with many of the property owners, allowing this process to move forward quickly.

Initial site work commenced in early 2012, with the construction of the link road, which was completed in August 2012. The detailed design and procurement of the plant and infrastructure will be the first stage of the process and is expected to take approximately six months. Access to the site and the commencement of site works for the processing plant and infrastructure is expected to commence on completion of this work.

Related Party Transaction

As RCF is a Substantial Shareholder in the Company, pursuant to AIM Rule 13, RCF's subscription is deemed to be a related party transaction. The Company's board of directors (excluding Chris Corbett, who is a representative of RCF (the "Independent Board")) considers, having consulted with Wolf's Nominated Adviser, Investec Bank Plc, that the terms of the subscription are fair and reasonable insofar as the shareholders of Wolf are concerned.

In addition, Traxys is also a Substantial Shareholder in the Company and pursuant to AIM Rule 13 Traxy's subscription is also deemed to be a related party transaction. The Company's board of directors considers, having consulted with Wolf's Nominated Adviser, Investec Bank Plc, that the terms of the Traxys subscription are fair and reasonable insofar as the shareholders of Wolf are concerned.

Upon shareholder approval Wolf will apply for the placement shares to be admitted to the AIM market of the London stock exchange. The placement shares will rank *pari passu* with the Company's existing Ordinary Shares.

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Following the issue of the placement shares and the establishment of the RCF Bridge Facility, the Company's total issued share capital will consist of 198,054,956 Ordinary Shares.

About TTI (NZ) Limited and the Todd Corporation

TTI (NZ) Limited is a wholly owned subsidiary of the Todd Corporation, a 100% private, family owned company and one of New Zealand's largest and most successful companies. With a history that spans over 125 years, the business has interests in oil and gas exploration and production, electricity generation, energy retailing, property development, healthcare, telecommunications and wine.

ENDS

Humphrey Hale

Managing Director

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About Resource Capital Fund

RCF is a mining focused private equity fund which is managed by RCF Management L.L.C. which has its principal office in Denver and financial offices in New York. RCF Management pioneered the concept of mining private equity and through its Funds has provided financial support to more than 112 mining companies involving mining projects located in 39 different countries and relating to 27 different commodities. It currently manages assets of approximately US\$1.7 billion. RCF is Wolf's largest shareholder.

About Traxys

The Traxys group are global leaders in financing, marketing, distribution and financial services for the mining, metals and minerals industries, with locations in more than 20 countries. Traxys is aggressively focused on business development with its customers. Traxys has created specifically dedicated investment vehicles to provide a full-range of financial and commercial solutions for mining and other production projects.

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About Wolf Minerals

Wolf Minerals is an ASX listed and AIM listed specialty metals company focused on developing the world class Hemerdon Tungsten and Tin Project, in Devon, in the south-west of the UK. The Company holds an option over 100% of the Hemerdon project, which the Directors consider to be one of the largest undeveloped tungsten and tin resources in the western world. It is ranked as the fourth largest tungsten deposit in the world in terms of contained tungsten metal, by The British Geological Survey. The Company aims to develop the project into a large scale, open pit mining operation, which will position it as a world class tungsten and tin producer. Wolf released a positive Definitive Feasibility Study for the Hemerdon project in May 2011, and it has updated planning permission for mining until 2021.