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**WOLF MINERALS LIMITED
A.B.N. 11 121 831 472
AND CONTROLLED ENTITIES**

INTERIM FINANCIAL REPORT

31 DECEMBER 2019

**WOLF MINERALS LIMITED
A.B.N. 11 121 831 472
AND CONTROLLED ENTITIES**

31 DECEMBER 2019

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by Wolf Minerals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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CORPORATE DIRECTORY

NON-EXECUTIVE DIRECTORS

Christian Brehm
Wing Kee Cheng
Hao Wen

COMPANY SECRETARY

Bill Weiping Lee

REGISTERED OFFICE

Level 28
108 St Georges Terrace
PERTH WA 6000

AUDITORS

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

SHARE REGISTER

Security Transfer Australia
770 Canning Hwy
APPLECROSS WA 6153

SECURITIES EXCHANGE LISTINGS

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

BANKERS

National Australia Bank
50 St Georges Terrace
PERTH WA 6000

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WOLF MINERALS LIMITED
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DIRECTORS' REPORT

The Directors submit the financial report of the Consolidated Entity for the half year ended 31 December 2019.

DIRECTORS

The names of Directors who held office during or since the end of the half year:

Christian Brehm	Non-Executive Director (appointed 11 November 2019)
Wing Kee Cheng	Non-Executive Director (appointed 11 November 2019)
Hao Wen	Non-Executive Director (appointed 11 November 2019)

The Company was in administration until 11 November 2019, so no directors were appointed until that date.

INCOMPLETE RECORDS - COMPARATIVES

On 10 October 2018, the Board of Directors resolved to place the Company into voluntary administration and appointed Martin Jones and Ryan Eagle of Ferrier Hodgson as voluntary administrator of the Company. Following appointment of the administrators, the powers of the Company's officers (including Directors) were suspended and the administrators assumed control of the Company's business, property and affairs.

To prepare the financial report, the Directors have reconstructed the financial records of the Group using management account information provided by the administrator. There may be information that the current management has not been able to obtain where the impact of which may or may not be material on the accounts.

The 31 December 2018 and 30 June 2019 comparatives included in these financial statements do not contain all the required information or disclosures in relation to transactions undertaken by the Company as this information is unascertainable due to the business rescue and administration process and/or the change in directorships and key management personnel.

PRINCIPAL ACTIVITIES

On 13 February 2019, the Company announced that at a meeting of creditors held on 21 January 2019, the creditors resolved that the Company execute a deed of company arrangement ("DOCA") and that Martin Jones and Ryan Eagle be appointed as administrators of the deed of company arrangement ("Deed Administrator"). On 18 June 2019, Martin Bruce and Ryan Reginald Eagle resigned as Deed Administrators and were replaced by David Mark Hodgson and Philip Campbell-Wilson from Grant Thornton.

On 6 September 2019, the Company, Deed Administrators and First Guardian Synergy Capital Pty Ltd ("Proponent") agreed to conditionally waive existing conditions of the DOCA, subject to the Company's capital being restructured on the terms set out in the following Resolutions:

1. The consolidation of the Company's existing issued share capital on a one (1) for two hundred and fifty (250) basis;
2. The issue of shares at an issue price of \$0.005 per share with one (1) free attaching option for every one (1) share subscribed for and issued to Synergy Solutions and/or Synergy Investment; and
3. A capital raising pursuant to which the Company will offer shares at a fixed minimum price of \$0.01 per share subscribed for and issued up to a maximum of 10,000,000 shares.

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DIRECTORS' REPORT (CONTINUED)

The DOCA embodied a proposal by the proponent for the recapitalisation of the Company ("Recapitalisation Proposal"). A recapitalisation proposal typically involved injection of new cash into a company that is either in financial distress or has been placed into voluntary administration. In the ordinary course, the entity will retain some or all of its assets and seek reinstatement to trading following completion of the recapitalisation.

A summary of the material terms of the Recapitalisation Proposal as contained in the executed amended DOCA is set out below.

1. The Company and the Deed Administrator will establish the Creditors' Trust, with the Deed Administrator acting as trustee.
2. The assets of the Company will be transferred into the Creditors' Trust.
3. The Company will consolidate its existing shares on a one (1) for two hundred and fifty (250) basis.
4. The issue of 80 million shares at an issue price of \$0.005 plus 1 free attaching options per share, in each case on a post-consolidation basis, to the Proponent (to be conducted on implementation of the DOCA).
5. A capital raising pursuant to which the Company will offer shares at a fixed minimum price of \$0.01 per share subscribed for and issued up to a maximum of 10 million shares.
6. The proponent will provide a creditor cash contribution of \$800,000. \$400,000 of the contribution will be paid by way of the subscription amounts for issue of shares and the balance of in the sum of \$400,000 will be reimbursed by the Company to the Proponent after the Company completes the capital raisings.

The conditions precedent for the completion of the DOCA include:

1. The Company obtaining resolutions of the shareholders of the Company approving the capital structure changes referred to above, in each case as required pursuant to the Act and the ASX Listing Rules.
2. Such consents required to transfer the Company's subsidiary interests to the Trust Fund.
3. Any other regulatory approvals required to complete the above.

As at 11 November 2019, all key conditions precedent had been satisfied and the Deed of Company Arrangement was effectuated. The new Board of Directors was appointed on 11 November 2019. The existing number of shares of 1,090,880,251 were consolidated as per the DOCA to 4,363,521 shares and a further 80,000,000 shares were issued at \$0.005 per share. The Company is in the process of being recapitalised, which will involve an acquisition, capital raising, re-compliance with Chapter 1 and 2 of the ASX Listing Rules, and subsequently an ASX relisting.

REVIEW OF RESULTS

The Directors of Wolf Minerals Limited ("Wolf" or "the Company") announce for the half year to 31 December 2019 a net consolidated profit after tax of \$144,788,364 (Loss: half year to 31 December 2018: \$206,721,882). A profit has arisen in the period as a result of a \$147,309,155 gain on forgiveness of debt recognized following effectuation of the Deed of Company Arrangement on 11 November 2019.

**WOLF MINERALS LIMITED
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DIRECTORS' REPORT (CONTINUED)

EVENTS AFTER THE REPORTING DATE

On 23 January 2020, the Company raised \$300,000 via a placement from unrelated parties of the Company through the issue of 10,000,000 fully paid ordinary shares at \$0.03 per share.

There were no other significant events subsequent to the half-year to the date of this report.

AUDITOR'S DECLARATION

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 4 for the half year ended 31 December 2019.

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



Hao Wen
Director
Dated: 12 March 2020

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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF WOLF MINERALS LIMITED**

In relation to our review of the financial report of Wolf Minerals Limited for the half year ended 31 December 2019, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



PKF PERTH



SHANE CROSS
PARTNER

12 MARCH 2020
WEST PERTH,
WESTERN AUSTRALIA

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WOLF MINERALS LIMITED
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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

	Note	31 December 2019 \$	31 December 2018 \$
Revenue	8	-	12,878,193
Cost of sales		-	<u>(19,828,576)</u>
Gross loss		-	(6,950,383)
Other income		-	39,298
Financial instrument gain		-	34,827
Gain on forgiveness of debt - net	9	146,509,155	-
Corporate costs		(50,298)	(716,079)
Depreciation		-	(2,982)
Re-organisation expenses	10	<u>(1,670,493)</u>	-
Operating profit/(loss)		144,788,364	(7,595,319)
Loss on liquidation of subsidiary		-	(191,316,109)
Impairment of assets		-	<u>(172,990)</u>
Profit/(loss) before interest & tax		144,788,364	(199,084,418)
Finance income		-	641
Finance costs	11	-	<u>(7,638,105)</u>
Net financing		-	(206,721,882)
Profit/(loss) before income tax		144,788,364	(206,721,882)
Income tax		-	-
Profit/(loss) and total comprehensive profit/(loss) for the period		<u>144,788,364</u>	<u>(206,721,882)</u>
Earnings per share			
Basic profit/(loss) per share (cents)		5.04	(47.38)
Diluted profit/(loss) per share (cents)		2.73	(47.38)

Weighted average number of ordinary shares on issue during the period used in the calculation of basic EPS

28,711,347

4,363,521

Weighted average number of ordinary shares (including options outstanding) on issue during the period used in the calculation of diluted EPS

53,059,173

4,363,521

The number of ordinary shares outstanding decreased as a result of stock consolidation, the calculation of basic and diluted earnings per share for all periods presented have been adjusted retrospectively.

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

WOLF MINERALS LIMITED
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	31 December 2019 \$	30 June 2019 \$
CURRENT ASSETS			
Trade and other receivables		6,904	-
TOTAL ASSETS		<u>6,904</u>	<u>-</u>
CURRENT LIABILITIES			
Trade and other payables		14,555	3,435,452
Provisions		-	125,249
Borrowings	13	<u>-</u>	<u>143,748,454</u>
TOTAL CURRENT LIABILITIES		<u>14,555</u>	<u>147,309,155</u>
NON –CURRENT LIABILITY			
Amount due to a related company	12	<u>513,140</u>	<u>-</u>
TOTAL LIABILITIES		<u>527,695</u>	<u>147,309,155</u>
NET LIABILITIES		<u>(520,791)</u>	<u>(147,309,155)</u>
EQUITY			
Issued capital	14	274,640,811	274,244,811
Reserves	14	1,600,000	-
Accumulated losses		<u>(276,761,602)</u>	<u>(421,549,966)</u>
TOTAL EQUITY		<u>(520,791)</u>	<u>(147,309,155)</u>

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Ordinary shares	Accumulated losses	Share Based Payments Reserve	Cash flow hedge reserve	Foreign currency translation reserve	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	274,244,487	(214,828,084)	1,613,263	781,840	363,649	62,175,155
Loss for the period	-	(206,721,882)	-	-	-	(206,721,882)
Total comprehensive income for the period	-	(206,721,882)	-	-	-	(206,721,882)
<i>Transactions with owners, recorded directly in equity</i>						
Liquidation of subsidiary	-	-	(1,613,263)	(781,840)	(363,649)	(2,758,752)
Transaction costs	(3,676)	-	-	-	-	(3,676)
Balance at 31 December 2018	274,240,811	(421,549,966)	-	-	-	(147,309,155)
Balance at 1 July 2019	274,240,811	(421,549,966)	-	-	-	(147,309,155)
Profit for the period	-	144,788,364	-	-	-	144,788,364
Total comprehensive income for the period	-	144,788,364	-	-	-	144,788,364
<i>Transactions with owners, recorded directly in equity</i>						
Issue of share capital	400,000	-	-	-	-	400,000
Equity compensation benefit	-	-	1,600,000	-	-	1,600,000
Balance at 31 December 2019	274,640,811	(276,761,602)	1,600,000	-	-	(520,791)

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	31 December 2019 \$	31 December 2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	-	12,359,462
Payments to suppliers and employees	(910,580)	(28,324,555)
Other income	-	39,669
	<u>-</u>	<u>39,669</u>
Net cash used in operating activities	<u>(910,580)</u>	<u>(15,925,424)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for mine development assets	-	(1,061,478)
Payments for property, plant and equipment	-	(2,017,773)
	<u>-</u>	<u>(2,017,773)</u>
Net cash used in investing activities	<u>-</u>	<u>(3,079,251)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	7,210,800
Proceeds from related parties	910,580	-
Payment of borrowing costs	-	(4,497,653)
Payments for share issue costs	-	(3,676)
	<u>910,580</u>	<u>(3,676)</u>
Net cash from financing activities	<u>910,580</u>	<u>2,709,471</u>
Net decrease in cash and cash equivalents	-	(16,295,204)
Effects of exchange rate changes on the balance of cash held in foreign currencies	-	(3,536,585)
Cash and cash equivalents at the beginning of the period	<u>-</u>	<u>19,831,789</u>
Cash and cash equivalents at the end of the period	<u><u>-</u></u>	<u><u>-</u></u>

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

NOTE 1: STATEMENT OF COMPLIANCE

Wolf Minerals Limited (the "Company") is a public company, limited by shares, domiciled and incorporated in Australia and listed on the Australian Securities Exchange. The Company's shares were previously traded on the Alternative Investment Market ("AIM") of the London Stock Exchange, but the admission of the Company's shares to the AIM was cancelled on or around 16 November 2018. The interim financial report of the company for the six months ended 31 December 2019, comprise the Company and its subsidiaries (the "Consolidated Entity" or "Group").

The interim financial report is a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The interim financial report does not include full disclosures of the type normally included in an annual financial report. Accordingly, it is recommended that this interim financial report be read in conjunction with the annual financial report for the year ended 30 June 2019 and any public announcements made by Wolf Minerals Limited and its controlled entities during the interim reporting period in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001*.

These condensed consolidated financial statements were approved by the Board of Directors on 12 March 2020.

NOTE 2: BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. The presentation and functional currency is in Australian Dollars.

The accounting policies and methods of computation adopted in the preparation of the condensed consolidated financial statements are consistent with those adopted and disclosed in the Group's 2019 annual financial report for the financial year ended 30 June 2019.

Going concern basis

The Group has net liabilities of \$520,791 (June 2019: \$147,309,155) as at 31 December 2019.

The financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Directors believe it is appropriate to prepare these accounts on a going concern basis because under the DOCA effectuated on 11 November 2019 the Company has extinguished all liabilities associated with previous administration of the Company. The Company is in the process of being recapitalised, which will involve acquisition, capital raising, share consolidation, re-compliance with Chapters 1 and 2 of the ASX Listing Rules, and subsequently an ASX relisting.

Should the Group not achieve a recapitalisation and successful ASX re-listing, there is material uncertainty whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial reports.

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

NOTE 2: BASIS OF PREPARATION (CONTINUED)

Going concern basis (continued)

The financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or liabilities that might be necessary should the Group not be able to continue as a going concern.

Incomplete Records - Comparatives

On 10 October 2018, the Board of Directors resolved to place the Company into voluntary administration and appointed Martin Jones and Ryan Eagle of Ferrier Hodgson as voluntary administrator of the Company. Following appointment of the administrators, the powers of the Company's officers (including Directors) were suspended and the administrators assumed control of the Company's business, property and affairs.

To prepare the financial report, the Directors have reconstructed the financial records of the Group using management account information provided by the administrator. There may be information that the current management has not been able to obtain where the impact of which may or may not be material on the accounts.

The 31 December 2018 and 30 June 2019 comparatives included in these financial statements do not contain all the required information or disclosures in relation to transactions undertaken by the Company as this information is unascertainable due to the business rescue and administration process and/or the change in directorships and key management personnel.

Critical accounting estimates and judgements

In applying the Company's accounting policies, management continually evaluates estimates and assumptions based on experience and other factors, including expectation of future events that may have an impact on the Group as a whole. All estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the estimates and assumptions. Significant estimates and assumptions made by management in the preparation of these financial statements are outlined in the Incomplete Records section above.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historical cost convention.

The same accounting policies, presentation and methods of computation have been followed in these condensed consolidated financial statements as were applied in the preparation of the Group's 2019 annual report for the financial year ended 30 June 2019.

NOTE 4: SEGMENT INFORMATION NOTES

The Consolidated Entity identified its operating segments based on the internal reports that were 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 consolidated statement of profit or loss and other comprehensive income and statement of financial position was the same as that presented to the chief operating decision maker.

NOTE 5: CONTINGENT LIABILITIES

Following the effectuation of the DOCA on 11 November 2019, all liabilities, contingent liabilities, obligations, warranties and long-term commitments of the Company were released.

Apart from the above, there are no contingent liabilities as at 31 December 2019 and no contingent liabilities were incurred in the interval between the reporting date and the date of this financial report.

NOTE 6: DIVIDENDS

The Board of Directors did not recommend the payment of dividend for the period. No dividends were paid during the period or prior financial year.

NOTE 7: KEY MANAGEMENT PERSONNEL

Remuneration arrangements of key management personnel are disclosed in the annual financial report for 30 June 2019.

	31 December 2019 \$	31 December 2018 \$
NOTE 8: REVENUE		
Revenue – tungsten	-	11,089,728
Revenue – tin	-	1,788,465
	<u>-</u>	<u>12,878,193</u>

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	31 December 2019	31 December 2018
	\$	\$
NOTE 9: GAIN ON FORGIVENESS OF DEBT-NET		
Forgiveness of debt	147,309,155	-
Cost for settlement	<u>(800,000)</u>	<u>-</u>
	<u>146,509,155</u>	<u>-</u>

According to the Deed of Company Arrangement, Synergy Investment Limited has paid \$800,000 into a deed fund established by the Deed Administrators on behalf of the Company, in exchange for the forgiveness of debt from the secured and unsecured creditors of the Company.

NOTE 10: RE-ORGANISATION EXPENSES

Re-organisation expenses represent the legal and professional costs incurred during the period before the DOCA was effectuated on 11 November 2019.

	31 December 2019	31 December 2018
	\$	\$
NOTE 11: FINANCE COSTS		
Bank charges	-	6,010
Interest expense	-	5,545,357
Borrowing costs	<u>-</u>	<u>2,086,738</u>
	<u>-</u>	<u>7,638,105</u>

NOTE 12: AMOUNT DUE TO A RELATED COMPANY

The balance due to Synergy Solutions Management Limited ("SSML") is an amount of \$513,140 (June 2019: \$nil), which is non-interest bearing and repayment has been deferred for a period of at least 12 months.

SSML and Synergy Investment Limited ("SIL") have common directors. SIL is the majority shareholder of the Company.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

NOTE 13: BORROWINGS	31 December 2019 \$	30 June 2019 \$
Current:		
Senior secured loan	-	-
Bridge loan facility	-	143,748,454
	<u>-</u>	<u>143,748,454</u>

As a result of matters disclosed in the Incomplete Records section of Note 2, the Bridge loan facility and Senior Secured loan payable balances for 30 June 2019 have been obtained from the limited accounting records that have been made available to current management. Therefore, the loan balances and related disclosures presented above may not be in accordance with the relevant accounting standards. These balances have been released under the DOCA.

NOTE 14: ISSUED CAPITAL AND RESERVES	31 December 2019 \$	30 June 2019 \$
Issued and fully paid shares		
Fully paid ordinary shares (net of capital raising costs)	<u>274,640,811</u>	<u>274,240,811</u>
	Number of shares	\$
Balance at the beginning of the period	1,090,880,251	274,240,811
Consolidation of capital ¹	(1,086,516,730)	-
Share issued during the period ²	80,000,000	400,000
	<u>84,363,521</u>	<u>274,640,811</u>
Balance at the end of the period		
	Number of options	\$
Balance at the beginning of the period	-	-
Options issued during the period ²	<u>80,000,000</u>	<u>1,600,000</u>
Balance at the end of the period	<u>80,000,000</u>	<u>1,600,000</u>

¹Approval was received at the Company's general meeting held on 29 October 2019 to proceed with the consolidation of all fully paid ordinary shares on issue in the Company on a 1 for 250 basis. The capital consolidation was completed with a record date of 31 October 2019.

²The issue of 80 million shares at an issue price of \$0.005 per share with one (1) free attaching option for every one (1) share subscribed for and issued to SIL and/or SSML.

The price for the options was valued with reference to the quoted price of sale transaction of the options to the independent third party in the market after issuance of the options. The sales price was \$0.02 for each option for the transaction.

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

NOTE 15: EVENTS SUBSEQUENT TO REPORTING DATE

On 23 January 2020, the Company raised \$300,000 via a placement from unrelated parties of the Company through the issue of 10,000,000 fully paid ordinary shares at \$0.03 per share.

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DIRECTORS' DECLARATION

The Directors of the Company declare that:-

1. The financial statements and notes thereto are in accordance with the Corporations Act 2001, and:
 - (a) Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporation Regulations 2001; and
 - (b) Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2019 and of its performance for the half year ended on that date.
2. Subject to the matters highlighted in Note 2, there are reasonable grounds to believe that the Consolidated Entity 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:



Hao Wen
Director

Dated: 12 March 2020

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

Qualified Conclusion

We have reviewed the accompanying half-year financial report of Wolf Minerals Limited (the Company) and controlled entities (consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2019, and 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 half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled company at 31 December 2019, or during the half year.

Based on our review, which is not an audit, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves in relation to the matters detailed in the basis for qualified review conclusion, we have not become aware of any matter that makes us believe that the half-year financial report of Wolf Minerals Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Basis for Qualified Review Conclusion

Opening Balances

During the audit and review of the financial reports for the year ended 30 June 2019 and period ended 31 December 2018 respectively, we were unable to obtain all the information and explanations we require in order to form an opinion or conclusion on the financial report.

On 10 October 2018, the Company was placed into voluntary administration. Following the appointment of the administrators, the powers of the directors and officers of the Company were suspended and the administrators assumed control of the Company and its financial affairs.

Due to the circumstances, the directors were unable to obtain all the necessary books and records pertaining to the consolidated entity. On 11 November 2019, new Directors were appointed and the Company was released from administration following the effectuation of a Deed of Company Arrangement.

Accordingly, the financial reports for the year ended 30 June 2019 and period ended 31 December 2018, have been prepared by the directors without the benefit of complete information being available for the consolidated entity.

Since opening balances affect the determination of the results of operations and cash flows, we are unable to determine whether any adjustments to the results of operations, cash flows and opening accumulated losses might be considered necessary for the period ended 31 December 2019. Our opinion on the current half year's financial report is modified accordingly, as a result of the possible effect of the matter noted above and on the comparability of the current year's figures and corresponding figures.

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Option Valuation

The consolidated entity has recognised the value of the options issued to a related entity for support services to the consolidated entity, while the consolidated entity was in administration, of \$1,600,000. This has been recognised as an expense in the statement of profit or loss and other comprehensive income under reorganisation expenses. We were unable to obtain sufficient and appropriate review evidence to confirm this equity based payment expense. Consequently, we were unable to determine whether any adjustments to this amount was necessary.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the directors' of the Company a written Auditor's Independence Declaration.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 2 in the financial report which indicates that the consolidated entity is in a net liability position of \$(520,791) as at 31 December 2019. We also refer to Note 2 in the financial report relating to the proposed restructure and recapitalisation of the consolidated entity. The conditions detailed in Note 2, indicate the existence of a material uncertainty which 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, and at the amounts stated in the financial report.

Directors' Responsibility for the Half-Year Financial Report

The directors' of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Regulations 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and its performance for the half year ended on that date, and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Wolf Minerals Limited during the half year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PKF PERTH

SHANE CROSS
PARTNER

12 MARCH 2020
WEST PERTH,
WESTERN AUSTRALIA

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