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**By: Tim Boreham**  
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### **Wolf Minerals (WLF) 27c**

ON such an ugly day, a wolf whistle was in order for one of the few attractive stocks yesterday.

The would-be tungsten miner has secured a £55m (\$80m) facility from three banks, which shows that well-considered projects will still be backed by funders who understand them.

What's more, the banks are European (UniCredit, ING and Caterpillar Financial) and the project itself is in Britain, which isn't known for its vibrant resources sector (or anything else for that matter). The Hemerdon project, in Devon, contains 520,000 tonnes of contained tungsten, the world's fourth biggest tungsten resource. On the present timetable it's expected to start producing in early 2014, building up to 345,000 tonnes a year. Tungsten, which has myriad industrial uses, is

classified as a strategic metal by the Chinese and the US.

But considering the open-cut project has a price tag of \$160m, it's a case of mission half-accomplished. Wolf will need to raise equity — an unsavoury dilutionary prospect when the company is valued at \$20m — or get a partner.

Wolf chief Humphrey Hale says Hemerdon is the only new tungsten project with full mining approvals and, now, debt funding. "We would be a pretty attractive takeover target for anyone."

We had Wolf as a **spec buy** at 30c and maintain the call.  
[borehamt@theaustralian.com.au](mailto:borehamt@theaustralian.com.au)

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