



## PRESS RELEASE

# **VALORIZA MINERÍA BEGINS OPERATIONS WITH THE SAN FINX (GALICIA) TUNGSTEN AND TIN MINE**

- **Investment of €10 million in 2015 and 2016**
- **Start of production in early 2016**
- **Tin and tungsten: strategic materials**

**Madrid, July 31, 2015** Valoriza Minería, a mining and industrial subsidiary of the Sacyr Group operating in Spain, has begun operations following the reopening of the San Finx (Galicia) mine, which is rich in tungsten and tin.

Tungsten San Finx, a newco belonging to Valoriza Minería, has secured the mining rights to this historical mine in Galicia, which produced tin and tungsten from 1884 until 2013. It will generate 60 direct and at least 240 indirect jobs in the area.

Tungsten San Finx expects to invest approximately €10 million in 2015 and 2016 in order to commence production early next year. Investment will go to:

- Research, through a drilling campaign to boost reserves and, thereby, extend the mine's useful life.
- Improve the processing plant in order to raise production capacity.
- Acquisition of cutting-edge machinery used globally for mining operations and to ensure best occupational health and safety practices inside the mine.
- Mining development to reach the desired production levels. For this, a well will be put into operation.

Committed to "green" mining and focused on taking advantage of strategic materials, Valoriza Minería has decided to reopen the San Finx mine. The core principles behind the decision include:

- Promote safe, sustainable and environmentally-friendly mining, carrying out a project that strictly complies with all environmental measures required for the correct management of natural resources. As the project entails the reopening of an underground mine, the environmental impact should be negligible.
- Innovation as a target, with plans to automate the operation of the mine using the latest techniques available in the market. The company has studied the mechanization alternatives used around the world in similar mines.
- Commitment to efficiency and competitiveness, achieving a production stage opex that can compete directly with the opex of the world's leading tungsten extraction mining operations. The trend of tungsten prices since 2004 has been positive and the outlook is for prices to remain stable in the coming years.
- And the commitment to creating jobs and generating wealth for Galicia, above all in Lousame and the surrounding area.

Within a few weeks, Tungsten San Finx will begin a recruitment process to meet its staffing needs. This process will be available to anyone interested in the project.

## **TIN AND TUNGSTEN: STRATEGIC MATERIALS**

Tin, in some countries, and tungsten, in the European Union, are considered strategic materials given their importance for industry and the threat of a supply shortage. This is mostly due to the Asian market's strong reliance on these materials, accounting for over 80% of global production. In Europe, just three countries -Spain, Portugal and Austria- have important tungsten deposits, producing 2.8% of the world's output. The potential in Galicia alone is much greater than this figure.

As a result, the European Union, through “Horizon 2020,” is encouraging and urging member states to raise their internal production of these strategic materials.

The United States has a tungsten stock target, acting as a demand buffer by buying and selling this strategic material in accordance with price movements and always setting aside minimum reserves for self-supply. Other countries have begun copying this policy, thereby guaranteeing a future balance between price and demand in the tungsten market.

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