



Rafaella wrangles tin and tungsten market

Rafaella Resources Ltd continues to carve out its place as a major player in the tin and tungsten markets after the January purchase of the underground San Finx mine, a Spanish project that has been on care-and-maintenance since 2017.

The “bolt-on acquisition” is Rafaella’s latest move in dotting projects along the Iberian Variscan belt to feed critical minerals into both Europe and North America.

Rafaella managing director Steven Turner explained that a lack of understanding around tungsten’s role as a critical mineral created a window of opportunity for the company.

“The reality is there’s not many tungsten companies out there,” Turner told **Paydirt**. “But that doesn’t make it any less fundamental to economies. I think the reason they don’t get so much attention is because it’s not a huge market...it’s also not widely traded on the markets and most trades are on long-term supply agreements with end users.”

Tungsten, a highly durable metal important for industries such as automobile manufacturing, drilling and mining, has drawn the attention of commodity experts in the past year for fears of supply risks.

“There’s a significant supply chain risk because so much tungsten comes in from places like China and Russia,” Turner said.

Tungsten is currently recognised as a critical mineral by the EU, UK and US.

The US Geological Survey reported in 2020 that China accounted for more than 80% of the 85,000t of tungsten mined globally the year prior.

“[Rafaella’s exposure to the market] is real and we are putting together a portfolio of projects that have the ability to be a significant supplier into Europe and North America,” Turner said.

Rafaella purchased San Finx from Valoriza Minería S.L.U for €5 million in royalties, payable once 1,000t of metal has been produced and sold. Royalties will be paid quarterly at a 2.5% premium.

When San Finx was last operating, it produced 35t @ 73% tin and 32t @ 57% wolframite concentrate. Wolframite is a form of tungsten.

Valoriza made a number of investments into San Finx before parting ways with it, including a new decline, electrifying the project and building auxiliary facilities.

“[San Finx] needs some further invest-

ments but there are elements of a process plant there,” Turner said. “It’s permitted for underground mining but is pending a water discharge permit.”

Valoriza had already applied for the water discharge permit, but nevertheless, will pay all restoration costs if the permit is unsuccessful. The permit could be issued any time over the next 12 months according to the company.

Immediately after it is granted, Rafaella will begin developing the project.

“The geology team is very much focused now on the San Finx underground,” Turner said. “It’s the most likely near-term producer for us in our portfolio.”

San Finx is 50km south of Rafaella’s brownfields Santa Comba mine in Galicia, Spain, which recently received a resource



The San Finx tin-tungsten mine in Spain is the latest piece to Rafaella’s puzzle aiming to address the critical metals’ supply risks

upgrade as part of its DFS.

The underground mineral resource estimate increased by 24%. Santa Comba’s Mina Carmen zone now contains an inferred 291,000t @ 0.95% tungsten trioxide and 0.23% tin.

Further exploration is on the cards as deeper intersections of the “Restrevas North” vein demonstrated tungsten grades

increase at depth.

“We’ve been removing some high-grade stockpiles and processing those, and our geology team has gone in to do some more detailed mapping,” Turner said.

“There’s over 6,000m of underground working back to 1985, it’s a fairly extensive network, but none of the records have been updated or modernised.

“[Santa Comba’s] previous resource was based off of four main veins, so the geology team went in there and explored it some more.

“What’s important though, is the team hasn’t done any drilling yet. This update reveals the potential of Santa Comba and provides what we need to know to go in and drill it ourselves.”

Rafaella is currently planning a 3,000-4,000m drill programme at Santa Comba.

Meanwhile, Phase 3 and 4 metallurgical test work on the project’s open pit recovery increased efficiencies from 66% to 71.6%. This upgrade was supported by successful testing of wet high intensity magnetic separation on the ore.

Santa Comba will also produce calcium tungstate, a premium to tungsten concentrate. Rafaella flagged that unnamed off-takers were interested in the product with sales discussions already under way.

A process flowsheet has been completed and capital cost estimates are expected to be finalised soon.

The San Finx acquisition and ongoing work at Santa Comba are joined in the portfolio by the Borralha and Vila Verde tungsten projects in Portugal.

Rafaella extended the timeframe to reach a definitive agreement on the projects with PanEx to February 11, with no update at time of print.

Rafaella then completed an oversubscribed \$2 million private placement via 33.3 million company shares five days later.

The funds will be used to advance Santa Comba and San Finx, due diligence on the Portuguese projects and other ongoing capital requirements.

Turner made it clear the company’s focus was very much centred on San Finx for now.

“That’s where a lot of the focus is going to shift and really all efforts to get into production as quickly as possible,” he said.

– Fraser Palamara