

PORTUGAL

By H.Albarraque

This article shows the statistics for the year 2000 which, as usual, have been obtained from the IGM, the organisation that is now supervising the mining industry in Portugal.

Portugal now has only two metallic mines in operation – Neves Corvo and Panasqueira – Cercal having produced its last tonnage of iron and manganese ores from its mine at Alentejo. It was a small-scale operation, producing around 11,000 t/y of product supplied to the domestic steel producer Siderurgia Nacional.

The Neves Corvo underground polymetallic mine at Castro Verde in southern Portugal is owned and operated by Soc. Mineira de Neves Corvo SA (Somincor). It was constructed 11 years ago by Rio Tinto and state-owned Empresa Desenvolvimento Mineiro SA (EDM) at a cost in excess of US\$550 million. Ore grades are declining and it now produces principally copper, processing some 2.3 Mt/y of ore to produce about 90,000 t/y of copper in concentrate.

Last year, Somincor was able to overcome low metal prices and made some productivity gains to achieve a profit of Es1.7 billion after two years of losses. During the year, it experienced one major stoppage resulting from the breakdown of hoisting machinery but was insured for much of the potential lost production. There was also a strike affecting 16.2% of the labour force but the company was able to maintain full capacity and meet all its commitments to customers. The programme to optimise production efficiency that was begun in 1999 began to pay,

dividends and unit costs for producing copper were reported at US\$0.75/lb, a 20% improvement. As expected, production of tin continued to decline (1999: 2,200 t of contained tin).

Capital investments of around Es3 billion were committed and one of the most important developments was the opening of two new production faces at the Southwest orebody at a cost of Es600 million. Production is scheduled to begin in July this year and this will enable the whole of the mining production at Neves Corvo to operate under a five-day/week regime. The development will ensure availability of stoping faces and thereby keep both of the mine's two mills fully operational.

Portugal's Production (t)		
	1999 ^a	2000 ^b
Uranium (U ₃ O ₈)	12	16
Iron and manganese	11,733	11,800
Copper concentrate	413,417	315,358
Tin concentrate	4,256	2,390
Tungsten concentrate	750	1,231
Marble (and limestone)	1,206,177	1,220,651
Ornamental stone	458,409	464,368
Paving stone	235,057	236,467
Slates	46,430	46,709
Limestone, gypsum etc	11,382,347	11,473,406
Gravel, sand & crushed stone	76,658,047	77,577,943
Clay and kaolin	3,805,991	3,825,021
Barites	120	120
Pegmatites with lithium	14,862	14,862
Salt	558,807	587,616
Quartz	14,905	10,000
Feldspar	114,685	100,000
Sands	518,147	500,000
Pegmatites	3,600	3,600
Diatomite	785	785
Talc	9,554	9,600

^a Corrected values

^b Estimated Value

Rio Tinto has been seeking to relinquish its 49% interest in Somincor and in May this year it was announced that the Australian company Murchison United NL has been selected as the preferred bidder. Murchison believes that extensive copper and zinc resources still exist at the mine and that there is also considerable exploration potential. At the end of 1999, the total copper resource was reported at 9.9 Mt averaging 3.8% Cu, and the zinc resource was reported at 50 Mt averaging 6% Zn. On completion of its purchase of Rio Tinto's interest, Murchison says that it hopes to participate in the divestment of 17% of EDM's interest in Somincor.

Beralt Tin & Wolfram, a wholly-owned subsidiary of Avocet Mining plc of the UK, operates the Panasqueira underground tungsten mine in east central Portugal. Low prices for tungsten threatened the operation with closure in 1999 but at the end of that year the company secured contracts to supply two major customers with a minimum of 200,000 metric tonne units over three

years. The contracts ensure minimum sales prices that are favourable to Beralt's average cash operating costs of US\$36/mtu. In the 12 months to March 31, 1999, it produced 93,000 mtu. Concentrate production in that year amounted to 750 t. Last year output increased to 1,231 t and prices have improved to a current level of around US\$50-55/mtu. A capital programme is now in hand to increase reserves and improve production efficiencies.

Mineral exploration activity in Portugal is limited and largely confined to the search for gold in the north of the country. Connary Minerals, a wholly-owned subsidiary of Minmet plc, is exploring in the historic mining area of the Douro valley east of Oporto. It has reported high gold values associated with argillites over an extensive area at the former Banjas mine in its Valongo Gondomar licence area, where previous work by EDM and BRGM of France also recorded high values. Surface drilling along strike is now planned to see if lode-gold type mineralisation is replicated.