



Type what you want to search

Search

10/14/2010



Vale breaks ground at Konkola North copper mine

Vale, through its Joint venture with African Rainbow Minerals (ARM), officially launched the US\$ 400 million Konkola North Copper Project, located in the Chililabombwe district, Copperbelt province. The estimated nominal capacity of the project, which is expected to reach full potential in 2015, is 45,000 metric tons per year of copper in concentrates. Construction work started in August 2010 and the first copper ore extraction is scheduled for 2013.

The groundbreaking ceremony marks a key milestone in the development of the mine. Current activities include the mobilization of heavy mobile equipment for the clearing and construction of the main plant site area.

The proposed capital expenditure in the Konkola North Project as well as the expected job creation is illustrative of Vale's confidence in the Zambian economy and its commitment to the local community.

On completion, the mine is expected to provide ongoing employment to approximately 1,500 people.

The expected mine life is 28 years, including a three-year exploration program to evaluate area A, which has the potential to increase output to 100,000 metric tons per year of copper in concentrate from 2020 onwards. Initially, the South and East Limb mines will be developed, after which the deeper, higher grade and wider reef areas will be mined.

On a regional note, Vale's recent purchase of a 51% stake in Sociedade de Desenvolvimento do Corredor do Norte SA (SDCN) places it as the leading partner in the development of the Nacala Corridor - a vital transport link between the region's interior and the port of Nacala, Mozambique. This integrated logistics network will provide an alternative transport route for production from the Copperbelt (Zambia and DRC) to the seaborne market, as well as for other cargo from Zambia-Malawi-Mozambique.

The investment in SDCN is an integrated part of Vale's strategy to build efficient, world-class logistics networks to augment its operations in central and southern Africa which, beyond guaranteeing project sustainability, will facilitate economic growth and diversification in the region as a whole.

Vale expects the development of Konkola North to add significant value to its shareholders and to benefit people of Zambia over the medium to long term. The project will enhance Vale's global copper growth platform, provide geographic diversification into a region with the highest potential for mineral exploration in the world, the Copperbelt, and reinforce South-South cooperation as a cornerstone for the future, in line with our goal to become one of the largest copper producers in the world.

About Vale

Vale is the world's second largest diversified mining company. Present in more than 30 countries, Vale is the world's largest producer of iron ore and pellets, key raw materials for the steel industry, and the second largest producer of nickel. The company also produces copper, potash, phosphates, coal, manganese, ferroalloys, bauxite, alumina, and aluminum, among other raw materials important to the global industrial sector and present in people's daily lives.

More information



Mônica Ferreira

monica.ferreira@vale.com

Rio de Janeiro

+55 (21) 3845-3636

Fatima Cristina

fatima.cristina@vale.com

Rio de Janeiro

+55 (21) 3485-3621