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Vale informs on Simandou developments

Vale informs that the Republic of Guinea revoked the mining licenses for the Simandou and Zogota concession areas indirectly held by VBG-Vale BSGR (Guinea) Limited ("VBG"), a joint venture in which Vale acquired a 51% interest from BSG Resources Limited ("BSGR") in April 2010.

The Government's decision is based on fraudulent conduct in connection with the acquisition of the mining licenses and refers to a report by the Technical Committee for the Review of Mining Titles and Agreements (the "Technical Committee") concluding that the mining concessions had been tainted by corrupt practices on the part of BSGR. The Technical Committee did not find any involvement by Vale in the fraudulent conduct relating to the acquisition of the mining licenses, which occurred more than one year before Vale made any investment in VBG, and recommended that the Guinean Government adopt measures to exclude VBG and BSGR, and BSGR's affiliates, from the reallocation of the mining titles, but did not suggest that Vale be prohibited from participating in any such process.

Vale acquired its interest in VBG after the completion of extensive due diligence conducted by outside professional advisors and on the basis of representations that BSGR had obtained its mining rights lawfully and without any corrupt or improper promises or payments. Vale unequivocally condemns the use of corrupt practices, reiterates its commitment to transparent corporate governance and is actively considering its legal rights and options.

More information



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