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Vale signs a mining contract for Moatize

Companhia Vale do Rio Doce (Vale) announces that the government of Mozambique has approved a mining contract for the exploitation of the Moatize coal project, located in the northwestern province of Tete.

This event follows an earlier approval of the project development plan by the Mozambican authorities in early June. The contract, lasting 25 years, can be extended for additional periods of time, and establishes the tax, international trade and foreign exchange regimes that will rule the Vale's investment in Moatize.

The process to build the mine begun in November 2004 and the last steps to be taken are receiving the mining concession and concluding negotiations with local railroad and port operators for the logistics contract.

The project involves the exploitation of an open pit mine for 35 years, with an estimated average annual production of 11 million metric tons (Mt) of coal products - 8.5 Mt of metallurgical coal and 2.5 Mt of thermal coal.

Roger Agnelli, Chief Executive Officer of Vale, commented, "This is an important step in our strategy for the coal business. We still need to reach an agreement, which is in the final stage of discussion, involving competitive costs for the logistics of the project." Roger added, "I would like to highlight the support and partnership developed with the government of Mozambique, which were critical for the smooth evolution of this process. I am very happy with it."

More information



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