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## Vale announces the sale of its coal assets

Vale informs that, on this date, it has entered into a binding agreement with Vulcan to sell the Moatize coal mine and the Nacala Logistics Corridor for total proceeds of US\$ 270 million, comprised of US\$ 80 million at Closing and US\$ 190 million from the existing business until Closing; plus a 10-year Royalty Agreement subject to certain mine production and coal price conditions. The Closing of the transaction is subject to the satisfaction of customary conditions precedent, including the approval of the Ministry of Mineral Resources and Energy of Mozambique pursuant to the Mining Law No. 20/2014, and the approval of the Government of Mozambique pursuant to the Concession Agreements for the change of control and antitrust. Vale is committed to work together with both Mozambique and Malawi governments to ensure a smooth transition to the new operator.

### Divestment process

In early 2021, Vale announced its objective to no longer own coal assets, focusing on its core businesses and on its ambition to become a leader in low-carbon mining. Over the past 15 years, Vale has worked in partnership with Mozambique and Malawi governments in the implementation of the Moatize mine and NLC's 912-km railway for coal transportation, in addition to the revamp of general cargo operations and passengers transportation. These investments represent a relevant legacy to the countries and are an important driver for local development. While conducting a responsible search process for an investor in the coal business, Vale continued to support the project's ramp-up and its commitments to society and stakeholders.

"I am pleased to announce this important step for the responsible divestment of Moatize and NLC, in a transaction that benefits the communities and governments where those operations are located and offering a sustainable future for the operations. This is another accomplishment on our commitment to reshape our company, focusing on our core businesses," said Eduardo Bartolomeo, Vale CEO.

### About Vulcan

Vulcan is a private company and part of the renowned US\$ 18 billion Jindal Group. The Jindal Group has rich experience working in Mozambique with its Chirodzi mine operations, located in the Tete Basin in Mozambique, an open cast mine operating at 5 Mtpa in FY21. Jindal Group companies are a signatory to the World Steel Sustainable Development Charter, 2015 and are also a Climate Action member with the World Steel Association. These policies reflect the purpose and intent of the Group towards the United Nation Global Compact, World Steel Sustainable Development Charter and the Global Reporting Initiative Standards. The Jindal Group also has numerous foundations that are pursuing its CSR and philanthropic initiatives, with primary focus on addressing health and nutrition needs, drinking water & sanitation, access to education, women empowerment and others.

[More information](#)



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