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Vale acquires Simandou iron ore assets

Vale announces it has acquired from BSG Resources Ltd. (BSGR), a 51% interest on BSG Resources (Guinea) Ltd., which indirectly holds iron ore concession rights in Guinea, in Simandou South (Zogota), and iron ore exploration permits in Simandou North and Blocks 1 & 2. In an all-cash transaction, Vale will pay US\$ 2.5 billion, of which US\$ 500 million is payable immediately and the remaining US\$ 2.0 billion on a phased basis upon achievement of specific milestones.

Simandou Blocks 1& 2 and Zogota are one of the world's best undeveloped sources of high-grade iron ore with potential to support the development of a large-scale long-lived project, with low capex and operating costs.

The joint venture established by Vale and BSGR will implement the Zogota project and conduct a feasibility study for Blocks 1 & 2 with the creation of a logistics corridor for shipment through Liberia. In order to be granted the right to ship through Liberia, the joint venture is committed to renovate 660 km of the Trans-Guinea railway for passenger transportation and light commercial use. Vale will be responsible for management control and marketing of the joint venture with the exclusivity for the off-take for all iron ore produced.

As part of the efforts to meet our future production targets, the first investment of Vale in the West African iron ore province will be leveraged by its extensive track record in developing successful large-scale mining projects in tropical environments. This initiative will enhance Vale's leadership in the global iron ore industry as the main supplier of high-quality material and it is expected to create significant shareholder value over the long-term.

The Simandou acquisition also improves Vale's capacity of serving its clients with excellence in terms of logistics and product quality.

More information



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