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Vale and Fortescue Sign Memorandum of Understanding

The companies will pursue opportunities to enhance competitiveness in their operations

Vale announces that it has signed a Memorandum of Understanding (the "MoU") with Australia's Fortescue.

The MoU sets out the principles on which Vale and Fortescue have agreed to pursue long term opportunities to enhance competitiveness in their operations, as well as create additional value to the Chinese steel industry.

These opportunities include the formation of one or more joint ventures for the blending and distribution of Vale's and Fortescue's respective products in China in order to develop an iron ore blend specifically designed to meet the long term needs of existing and new Chinese customers. It will also give Vale the optionality to undertake joint mining developments together with Fortescue in Australia as well as to take a minority stake in Fortescue's holding company.

Peter Poppinga, Vale's Executive Director for Ferrous Minerals said: "The Memorandum of Understanding is one more important step towards optimizing Vale's supply-chain, creating new platforms for future mine development and offering a new world-class alternative product to the Chinese steel industry. We are looking more than 10 years ahead."

This MoU does not constitute a contract and is not legally binding on the parties. It remains subject to agreement on the final terms of any resulting transaction documents and receipt of all required approvals, including board approval of each of Vale and Fortescue and any relevant regulatory approvals.

Clarification regarding minority stake in Fortescue

About Fortescue

Fortescue is a global iron ore supplier, operating infrastructure and mining assets in the Pilbara region of Western Australia. The company exports 165 million tonnes of iron ore per annum.

More information



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