

Vale may increase stake in Australia coal JV – Aquila

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PERTH (miningweekly.com) – Brazilian mining giant Vale could increase its shareholding in the Bavelerde coal joint venture (JV), in Australia, from 51% to 75,5%, partner Aquila Resources reported on Wednesday.

Aquila's JV partner in the project, AMCI, would become a wholly owned subsidiary of Rio Doce Australia, which is a subsidiary of Vale. Vale's subsidiary, Vale Bavelerde, currently holds the group's 51% interest in the project.

Aquila and AMCI's respective 24,5% interests in the projects were currently the subject of a first option, in favour of Vale Bavelerde, which expires in June. Vale could exercise this first option to acquire either a 49% interest or a 24,5% stake in the project.

Should the first option not be exercised, or if only 24,5% was taken up, Vale would be given a second option to acquire a 24,5% interest in the project before June 4.

The Bavelerde coal JV currently holds an on-site resource in excess of 3,8-billion tons, of which 1,5-billion tons is classified in the indicated category, and 2,3-billion tons in the inferred category.

Subject to the completion of all necessary feasibility studies and the receipt of regulatory approval, the Bavelerde project is planned to start exporting coal by 2014.