

18.08.2008

## **PRESS RELEASE**

### **NMDC AND RIO TINTO JOINING HANDS**



NMDC Limited, the single-largest iron ore producer in India; and Rio Tinto one of the global giants in mining, have signed a Memorandum of Understanding (MoU) to co-operate in investigating mutually advantageous potential investment opportunities primarily for iron ore both in India and abroad. Opportunities in other minerals will also be booked for under the MoU. The MoU is signed on 18 August 2008 at New Delhi.

The joint efforts will be aiming at acquisition of mining properties in India and abroad for the purpose of their exploration, development and exploitation through formation of a joint venture company. Special emphasis will be given to develop low grade iron ore projects with suitable beneficiation processes.

NMDC's iron ore mines in Chhattisgarh and Karnataka produce about 30 million tonnes a year. This level is being augmented to about 50 million tonnes by 2014-15. The export of iron ore is currently limited to about 3-4 million tonnes a year, so that domestic steel makers, especially those who do not have the captive mines, get the essential raw material.

The new venture that is likely to come up following the MoU will not only be mutually beneficial, this should also bring in the much needed foreign investment in the domestic mining sector and further strengthen the practice of high tech, environment friendly, scientific mining in India now focused by NMDC.