

No stops for the expansion of China into Africa.

The Wuhan Iron & Steel Corporation (WISCO), metallurgy giant of the Chinese state and third largest producer in the Popular Republic, has signed a non-binding agreement by a billion dollars with the Australian mining company Riversdale Mining to detect the 40 percent of its shares for a deposit of coal in Mozambique.

The agreement provides that Wisco spends \$ 200 million to detect the 8 percent of the same Riversdale, plus the 800 millions in three tranches for the 40 percent of the coal-beds in the basin of the Zambezi River (in the western province of Tete in Mozambique) which are rich, following the initial explorations, of nine tons of coal.

The influx of liquidity into the cashes of the Australian mining company, hailed by its president Michel O'Keefe as "an exceptional result," will allow this company to start production of coal from Benga deposit, always in Mozambique.

The agreement also provides the right for Wisco to buy at market prices the 40 percent of the coal of Zambezia and 10 percent of the one of Benga.

In the silence of Wisco, whose leaders will speak only after completion of the agreement, Riversdale said that the agreement also provides for joint logistics studies for the transport of coal to China directly via the Indian Ocean or via the existing railway in Malawi.