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Vale finalizes the sale of Vale New Caledonia to Prony Resources

Vale informs that, following the December 8th, 2020 release, its subsidiary Vale Canada Limited has concluded the sale of its ownership interest in Vale Nouvelle-Calédonie S.A.S. to the Prony Resources New Caledonia consortium.

The consortium of investors, including Trafigura, comprises a majority and non-dilutable shareholding for New Caledonian interests.

"After several months of negotiations, I am pleased that we concluded our divestment of VNC, benefitting employees, New Caledonia and all its stakeholders. Vale is fully committed to this transaction. It meets the guarantees required at the financial, social and environmental levels and offers a sustainable future for the operations," said Eduardo Bartolomeo, CEO of Vale.

Vale's intent from the beginning of the divestment process was to withdraw from New Caledonia in an orderly and responsible manner. This deal accomplishes that.

"We acknowledge Vale for its professionalism throughout and its unwavering commitment to exiting New Caledonia responsibly," said the French State in a statement released today.

The deal provides the former VNC operations with a financial package totaling US\$ 1.1 billion, of which Vale Canada Limited is contributing US\$ 555 million to support the continuity of the operations. The financing of the Pact for the Sustainable Development of the Deep South will also be secured by Vale.

In addition, Vale will continue to have the right to a long-term nickel supply agreement for a proportion of the operation's production, allowing it to continue addressing the growing demand for nickel by the electric vehicle industry.

"Along with the continuation of the Pact, the deal also allows the Lucy Project for dry storage of tailings to proceed," said Mark Travers, Executive Vice-President for Base Metals with Vale. "We want to acknowledge the time and effort of all stakeholders to achieving this deal, including the French State and especially the employees of VNC for their trust and support through a lengthy and uncertain process."

Vale reaffirms its commitment to its shareholders to transform the Base Metals business, simplifying the operations flowsheet going forward and enabling a continuous focus on core assets, while also honoring its new pact with society, contributing to the maintenance of a sustainable environment for safe operations continuity.

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