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Vale updates on the exclusivity to negotiate the sale of Vale New Caledonia

Vale updates on the press release issued on May 25th, 2020 "Vale enters into exclusivity to negotiate the sale of Vale New Caledonia" and informs that the exclusivity entered by Vale Canada Limited (VCL) with New Century Resources Limited (NCZ) to negotiate the sale of its ownership interest in Vale Nouvelle-Calédonie S.A.S. (VNC) has been extended by mutual agreement for 45 days, allowing for the completion of the due diligence by NCZ and negotiation of transaction documentation.

In its current non-binding form, the funding structure encompasses approximately US\$ 900 million in contributions from the parties, including approximately US\$ 500 million¹ through a trust scheme from VCL, the renewal of an existing € 200 million facility from the French State and US\$ 200 million sourced by NCZ through a debt facility, offtake financing and third party VNC level strategic investment.

With this announcement, the potential contribution to be made by VCL will be reserved in Vale's consolidated financial statements on approximately US\$ 500 million when, subject to the prior consultation of the VNC works council, the negotiation is completed and final transaction documentation is signed.

Vale reaffirms its commitment with its shareholders to transform the Base Metals business, simplifying operations flowsheet going forward and enabling the 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.

¹ As of July 1st, 2020

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