

Press Release

City and Vale announce agreement on grant-in-lieu payments to 2012

For immediate release

June 1, 2011 – The City of Thompson and Vale announced agreement today on grant-in-lieu (GIL) payments from the company for the years 2011 and 2012.

Vale committed to provide payment of \$6 million per year for 2011 and 2012 – the maximum amount payable under the current GIL agreement – as well as an additional \$250,000 per year for the continued economic development work of Thompson Unlimited.

This continues the practice established by Vale the last two years of voluntary top-ups to the annual GIL payment above forecast payments (which for 2011 and 2012 are in the range of \$5.4 million).

“Today’s news underscores the benefits of working collaboratively with common objectives in mind,” said Thompson Mayor Tim Johnston. “In this instance that shared objective is clearly the long-term strength and sustainability of the Thompson community. Our focus is on building a sustainable future and this announcement builds on the process we’ve established and moves us another step closer to our goal.”

In addition to agreement on GIL payments to 2012, the City and Vale agreed to set dates as soon as possible to continue discussions on renegotiating the grant-in-lieu agreement beyond 2012 – the date at which the current agreement expires.

“Today’s news provides an additional degree of certainty for our community and those of us who live here,” said Lovro Paulic, one of three General Managers at the Thompson operations. “Under the leadership of the Mayor and council, and with participation from other community stakeholders, we’ve embarked on a collaborative process to strengthen the economic future for Thompson. Today’s announcement is further evidence of the commitment all parties bring to that effort and the successes we can achieve by working together.”

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