

VALE OUTLINES INVESTMENT PLANS FOR CANADIAN OPERATIONS In Excess of \$10B Over Five Years

For immediate release

November 17, 2010 -- Vale today revealed its blueprint for the future in Canada anchored by a planned five-year investment program in excess of \$10 billion to strengthen and expand its Canadian operations.

“The investment program we’re pursuing is an indicator of the bright future we see for Vale in Canada,” said Tito Martins, Chief Executive Officer of Vale Canada and Executive Director, Base Metals for Vale. “These investments represent an important building block for the future of our Canadian operations. The dollars invested here will improve environmental performance, unlock new market opportunities, increase efficiencies and strengthen our global competitiveness for years to come.”

Large-scale investments have already commenced and will continue to ramp-up in 2011, said Mr. Martins, noting that in addition to the direct benefits accrued to Vale’s operations, the projects promise to generate significant economic opportunities for communities and suppliers over the next five years.

The five-year investment program combines recently started projects with projects yet to begin. It follows a comprehensive review of Vale’s Canadian operations that addressed issues of efficiencies, aging infrastructure, environmental performance and creating a long-term sustainable future. Key components of the investment program include:

Ontario

Approximately \$3.4 billion in expenditures are slated for Ontario to upgrade mining and processing facilities at the company’s century-old operations in Sudbury. These upgrades will make the facilities more efficient and significantly reduce atmospheric emissions by 2015.

At Clarabelle Mill in Sudbury, Vale is embarking on a \$200 million investment to change the flowsheet and improve recoveries by approximately 3-4 per cent. The investment includes construction of a brand new building at the current mill site and implementation of a new floatation system with state-of-the-art technology. Engineering work is underway and Vale expects to break ground on the project in March 2011, with a view to completion in 2012.

Vale is also working towards completing its \$360 million investment in Totten Mine – the first new Vale mine in Sudbury in almost 40 years. The mine, located west of the city near Worthington, is expected to begin production in late 2011. It has an expected lifespan of approximately 20 years and will provide employment for roughly 130 people. The mine represents a major investment in developing new sources of ore to feed the company’s Sudbury processing facilities.

The Atmospheric Emissions Reduction project is the most significant environmental investment ever contemplated in the Sudbury Basin. At a cost of \$1.5 to \$2 billion, the project will reduce emissions of sulphur dioxide more than 80 per cent over current levels – resulting in cleaner air for the community and generating significant economic spin-off benefits to Sudbury and Northern Ontario. The project is in the feasibility stage, with construction expected to begin in early 2012, and be completed in late 2015. Once approved, anywhere from 800 to 2,000 workers are expected on-site at any given time on the project.

Other nickel mining-related expenditures and exploration in Ontario include a re-evaluation of the previously suspended Copper Cliff Deep project targeting 126 million metric tons of ore in and around the community of Copper Cliff; Creighton Mine, where drilling has yielded impressive results at depth with ore down to 10,000 feet; and the examination of low-grade, near-surface deposits and ongoing underground and surface exploration programs in the Sudbury Basin.

As part of a Vale strategy to significantly grow its copper production, an aggressive exploration drilling program is underway in zones of high copper and precious metals including the Victor and Capre properties in Sudbury. Vale intends to announce in the near future its strategy and investments for increasing copper production in Canada by 100,000 metric tons. Combined, the mining studies and exploration expenditures in the Sudbury Basin represent an investment of more than \$50 million in 2011.

Newfoundland and Labrador

As previously announced, capital expenditures of approximately \$2.8 billion are being made to build new, state-of-the-art processing facilities in Long Harbour, Newfoundland and Labrador. Construction of the Long Harbour facility is underway and is scheduled for completion in the first quarter of 2013. The Long Harbour plant is Vale's first processing facility in Canada located on tidewater. It will process nickel concentrate produced at the Voisey's Bay mine in Labrador. At peak construction in 2011, up to 2,500 people will be supporting the construction effort at Long Harbour. Some 500 permanent jobs will be created upon completion.

The Long Harbour processing plant will utilize hydrometallurgy (hydromet) technology developed and tested by Vale in Canada in a \$200 million research and development effort. Once in operation, the Long Harbour plant will be the first nickel processing plant in the world to process concentrate from nickel sulphide ore directly into finished nickel product. Hydromet technology has the benefit of eliminating airborne emissions of SO₂ and improving overall metal recoveries.

Manitoba

As part of its base metals blueprint for the future, Vale is focusing its efforts in Thompson, Manitoba on developing new sources of ore as it transitions its operations to mining and milling with the phasing out of smelting and refining by 2015. This enables Vale to better align processing capacity with mineral reserves while meeting the company's environmental commitments.

Two key issues underpin the operating changes in Manitoba. Mineral reserves in Thompson have not been sufficient to operate the smelter and refinery at full capacity for some time. To account for this shortfall, Vale has been importing as much as 45 per cent of the nickel processed in Thompson from sources outside Manitoba. This external feed is no longer available after 2013. Also contributing to the change are new federal SO₂ emission standards expected to come into effect in 2015. The new standards require a reduction in airborne emissions of approximately 88 per cent from current levels at the Thompson operation. Vale has concluded that it cannot practically meet this new regulatory standard in Manitoba.

"We see a strong and long-term future for our operations in Manitoba," said Mr. Martins. "It's a future that will look different than it does today, but it is one that we believe will allow our operations to continue there for many, many years to come and one that will allow Thompson to remain a vibrant and important contributor to the northern Manitoba economy."

Vale is already taking steps to develop the next generation of ore sources needed to create a long-term, sustainable mining base. Current plans at the company's Birchtree Mine see operations continuing well beyond 2020.

At the same time, Vale is aggressively pursuing new mine development opportunities in northern Manitoba at both the Thompson 1-D and Pipe-Kipper deposits.

The 1-D Project is currently examining alternatives to exploit a significant mineral resource base in the existing Thompson Mine. Currently in the pre-feasibility stage, the 1-D Project represents a potential investment of more than \$1 billion in Manitoba's mining future.

The Pipe-Kipper Project is examining the mining potential of a metallurgically complex ultramafic ore resource. Concentrate qualities and recoveries achieved to date with a conventional milling flowsheet indicate a business case that warrants continued study. Pipe-Kipper is a high-volume, low-grade resource with the potential for many more years of mining activity in Thompson.

As mine development projects continue, Vale is investing \$150 million to upgrade its tailings containment facilities in Manitoba, which will aid the transition to a sustainable mining and milling future.

Vale is also continuing an aggressive exploration program in the Thompson Nickel Belt that saw more than \$25 million in expenditures last year directed at identifying and developing new ore sources for future operations. The program continues to generate encouraging results that support a sustainable mine-mill operation well into the future.

"Vale is committed to Thompson's success as a key contributor to our mining and milling operations in Canada," said Mr. Martins. "The transition is still four to five years away and we will use that time wisely. We are committed to partnering with the provincial government, the community, our employees and other stakeholders to manage all aspects of the transition as effectively as possible and minimize potential impacts. This includes participating fully in the workforce adjustment process that has proven effective in similar situations elsewhere. It also includes looking for ways to bring new opportunities in innovation and diversification to Thompson that will allow us to retain this generation of employees and attract the next."

Saskatchewan

Under the umbrella of its fertilizers business, Vale is evaluating a \$2.5 to \$3 billion potash development project in Saskatchewan. The project is currently in the pre-feasibility stage. Subject to approvals, the project is expected to employ some 1,500 contractors over a four-year construction period and create up to 500 permanent jobs once in operation. The project is targeting production of 2.9 million metric tons of potash per year. Board approval is expected in 2012.

Vale's offices in Toronto have expanded to become the headquarters for Vale's global base metals business under the leadership of Mr. Martins. Today, Vale is pursuing growth opportunities in Canada that go beyond nickel into fertilizers and other base metals such as copper.

"Canada has much to offer Vale, and Vale has much to offer Canada," said Mr. Martins. "We plan on being here for a very long time and leading the industry in embracing and succeeding in the new global economy. Our blueprint for the future promises a strong and sustainable operating presence in Canada and around the world and the investments we outlined today in our Canadian operations will help ensure they remain globally competitive for the long-term. Vale is committed to becoming the biggest and best mining company in the world, and Canada has an important role to play in that effort. Whether it's opening a new mine in Ontario, building a new plant in Newfoundland, transitioning to a new operating model in Manitoba, developing a potash property in Saskatchewan, or developing leading technologies at our world-class research facilities in Mississauga, we are committed to managing the process with excellence as we build a better future together with our employees."

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