Press release

Vale informs on estimates update

Rio de Janeiro, December 2nd, 2020 - Vale S.A. (Vale) informs that it has updated its estimates and that these must be considered as such:

Estimated production volumes

Production	2020E	2021E
Iron Ore (Mt)[1]	300-305	315-335

Production	2021E	2022-24E average	2025E
Copper (kt)	390	455	~500

Production	2021-23E average	2024-25E average
Nickel (kt)	200	220

Estimated costs

Iron Ore: C1[2] cash cost without 3rd party purchase costs of US$ 13.6/t in 2020 and between US$ 10.5/t - US$ 12.0/t once Vale reaches production level of 400 Mtpy.

Estimated capex[3]

US$ billion	2020E	2021E	Next years average
Vale total	4.2	5.8	5.5
Sustaining[4]	3.7	4.8	4.5
Growth	0.5	1.0	1.0

Decharacterization cash outflow

US$ billion	2021E	2022E	2023E	2024E	2025E	2026-2029E
Cash outflow[5]	0.4	0.5	0 .3	0.3	0.3	0.9

Due to adjustments to the decharacterization projects and works for safety improvement, Vale expects to record an additional provision of approximately US$ 670 million[6] (nominal amount) for the execution of the decharacterization plan in the 4Q20 financial statements, totaling approximately US$ 2.7 billion (nominal amount) as of December 31th, 2020.This value is subject to review based on the actual disbursements of provisions by the end of the 2020 fiscal year.

Debt

US$ billion	2020E	2021E	2022E	2023E
Net debt	0.0	-	-	-
Expanded net debt[7]	10.0	8.6	7.4	6.0

[1] Includes third party purchase, run-of-mine and feed for pelletizing plants.
[2] Assuming: (i) fixed cost dilution; (ii) removal of inefficiencies from restrictions; (iii) filtrations and geotechnical initiatives; (iv) average BRL/USD exchange rate of 5.1 once Vale reaches production level of 400 Mtpy.
[3] Average BRL/USD exchange rate of 5.21 (2020), 5.10 (2021) and 4.77 (next years).
[4] Includes replacement capex.
[5] Average BRL/USD exchange rate of 5.10 (2021) and 4.77 (2022-29)
[6] Given BRL-USD exchange rate of 5.3317 on November 30, 2020. Exchange rate subject to review in due course for recording in the company's 4Q20 financial statements.
[7] Considering 100% cash flow distribution.

EBITDA

Nickel (US$ billion)[8]	2021E	2025E
EBITDA	1.6	2.2
Capex	1.4	1.2

Vale's 2023 Adjusted EBITDA[9] ranging from US$ 17.4 billion to US$ 29.6 billion, depending on the following assumptions: (a) annual average iron ore price ranging from US$ 70/t to US$ 100/t; (b) annual average nickel price (LME) ranging from US$ 14,000/t to US$ 20,000/t; (c) annual average copper price (LME) of US$ 6,600/t; (d) annual average high and low sulfur bunker prices at US$ 323/t (e) annual average FX BRL/USD of 4.77.

Free Cash Flow Yield[10]

Average Free Cash Flow Yield 2021-2023, per annum[11] ranging from, approximately, 4.4% to 15.7%, depending on the following assumptions: (a) annual average iron ore price ranging from US$ 70/t to US$ 100/t; (b) annual average nickel price (LME) ranging from US$ 14,000/t to US$ 20,000/t; (c) annual average copper price (LME) of US$ 6,600/t; (d) annual average high and low sulfur bunker prices at US$ 323/t (e) annual average FX BRL/USD of 5.10 (2021) and 4.77 (2022-2023); (f) market capitalization of November 26th, 2020.

Estimated impact in Vale's cash flow profile[12]

US$ million	2020E	2021E	2022E
Samarco	-200	-50	-50
Coal	-1,100	-640	-200
VNC	-380	-350	-80
Renova	-400	-550	-250

Vale informs that it has discontinued all previous guidance, except of Nickel, Copper and Pellets production for 2020.

Vale clarifies that the information provided in this document represent only an expectation, hypothetical data that by no means constitute a promise of performance by Vale and/or its management. The estimates presented involve market factors that are beyond Vale's control and, therefore, can be subject to new changes. Additionally, Vale informs that will file again in due course the item 11 of its Reference Form, in the period required by the Instruction CVM number 480 of December 7, 2009, as amended.

Ever since the Covid-19 outbreak began, our highest priority is the health and safety of our employees. Our IR team adopted work-from-home, and as we continue to face these new circumstances, we strongly recommend you prioritize e-mail and online engagement.

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This press release may include statements that present Vale's expectations about future events or results. All statements, when based upon expectations about the future, involve various risks and uncertainties. Vale cannot guarantee that such statements will prove correct. These risks and uncertainties include factors related to the following: (a) the countries where we operate, especially Brazil and Canada; (b) the global economy; (c) the capital markets; (d) the mining and metals prices and their dependence on global industrial production, which is cyclical by nature; and (e) global competition in the markets in which Vale operates. To obtain further information on factors that may lead to results different from those forecast by Vale, please consult the reports Vale files with the U.S. Securities and Exchange Commission (SEC), the Brazilian Comissão de Valores Mobiliários (CVM) and in particular the factors discussed under "Forward-Looking Statements" and "Risk Factors" in Vale's annual report on Form 20-F.

[8] Assuming: (i) higher volumes in South and North Atlantic operations; (ii) lower capex after conclusion of VBME, CCM1 and Onça Puma; (iii) ore sale for Indonesia JVs projects; (iv) others such as lower 3rd party purchases and higher revenues from by-products.

[9] Does not consider any additional provisions.

[10] FCF yield is presented only for illustrative purpose and it does not constitute guidance for Vale, considering it is an index that depends on the market value and consequently the share price, which Vale uses historical price parameters, just as a reference.

[11] The Free cash flow estimated does not consider dividends, buybacks and acquisitions. It considers the inflow derived from the Salobo III gold stream completion in 2022.

[12] Average BRL/USD exchange rate of 5.21 (2020), 5.10 (2021) and 4.77 (2022).