



Vale Global Exploration

Simexmin 2016

May 17th, 2016



Disclaimer

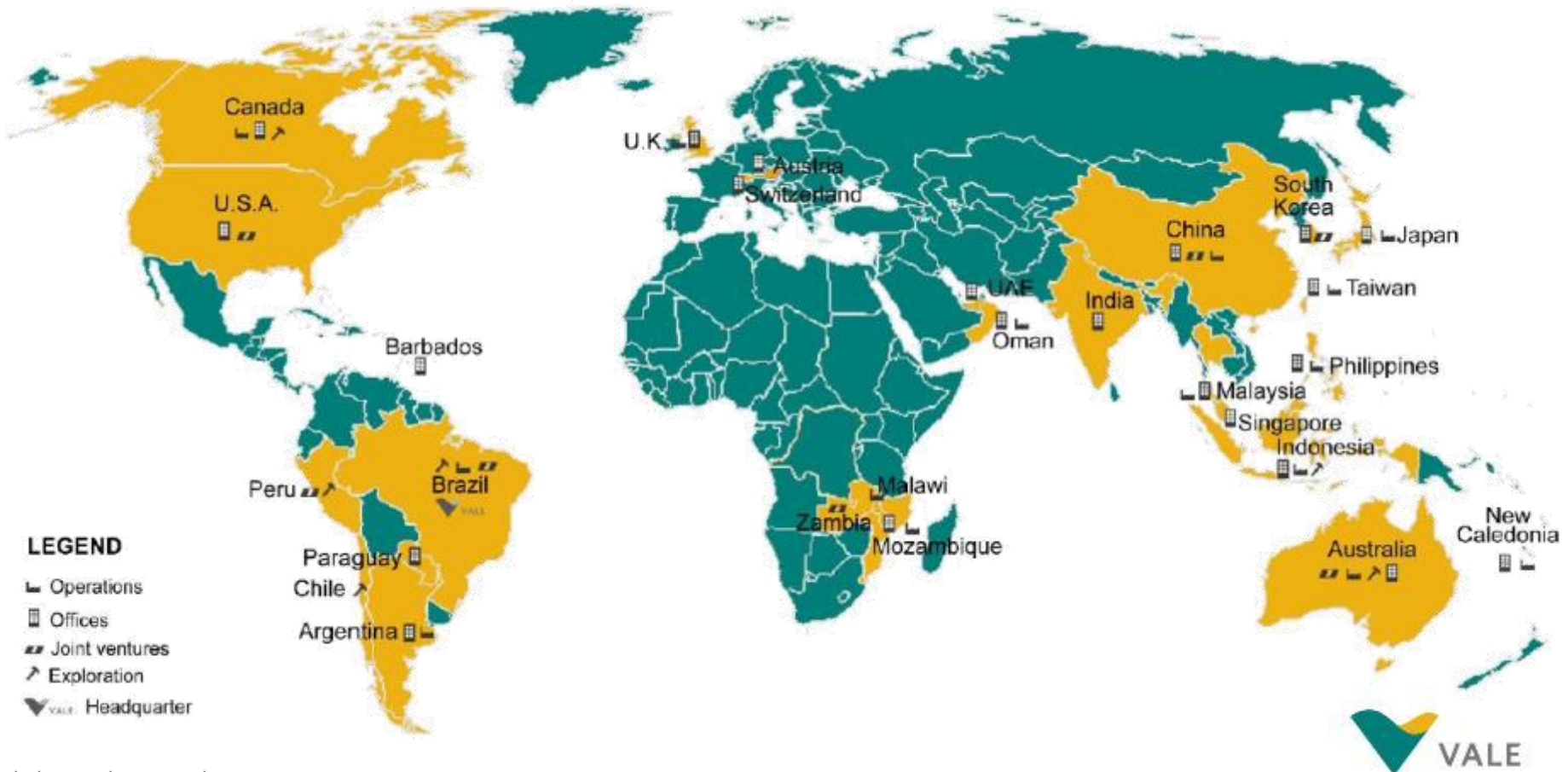
“This presentation may include statements that present Vale's expectations about future events or results. All statements, when based upon expectations about the future and not on historical facts, involve various risks and uncertainties. Vale cannot guarantee that such statements will prove correct. 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), the French Autorité des Marchés Financiers (AMF) and The Stock Exchange of Hong Kong Limited, and in particular the factors discussed under “Forward-Looking Statements” and “Risk Factors” in Vale’s annual report on Form 20-F.”

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1. Vale Overview
 2. Vale's Global Exploration Program

Who we are

Headquartered in Brazil, Vale has offices and operations in more than **30 countries** and employs about 200,000 people across the world*.

One of the largest metals and mining companies in the world. Vale has a market capitalization of around US\$ 27 billion, with approximately 310,000 shareholders globally.



* Includes employees and contractors

Our Business



Ferrous: The world largest producer of iron ore and pellets, we also produce manganese ore and ferroalloys

Base metals: The second largest producer of nickel, we also produce copper, cobalt and PGMs

Coal: Metallurgical coal

Fertilizers: Potash, phosphate and nitrogen

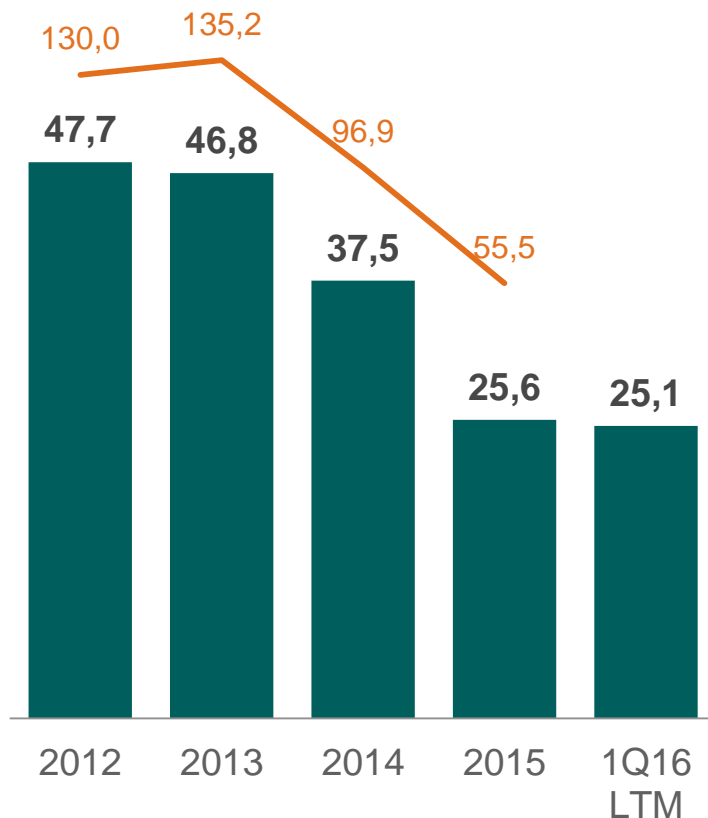
Logistics: We operate 1,797 km of railways, plus 7,920 km through our 37.6% in VLI, one port, four maritime terminals in Brazil and 9 terminals in other countries*



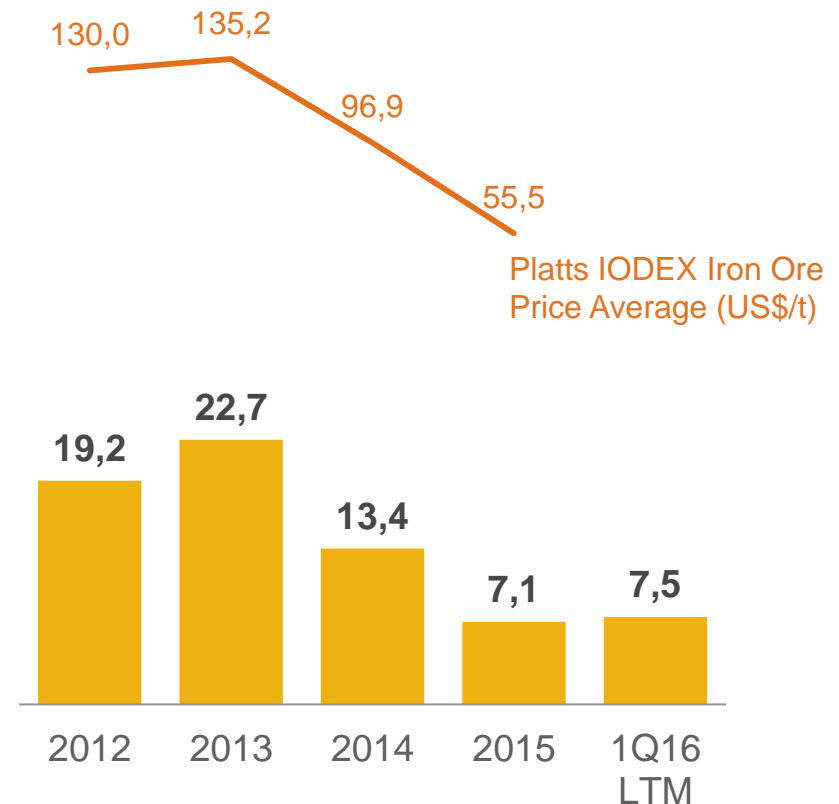
* One in Oman, two in Canada, two in Indonesia, one in New Caledonia, one in Malaysia, one in Argentina, and one in ramp-up in Mozambique

The sharp fall in commodity prices has significantly impacted the mining industry

Vale's Net revenues
US\$ billion

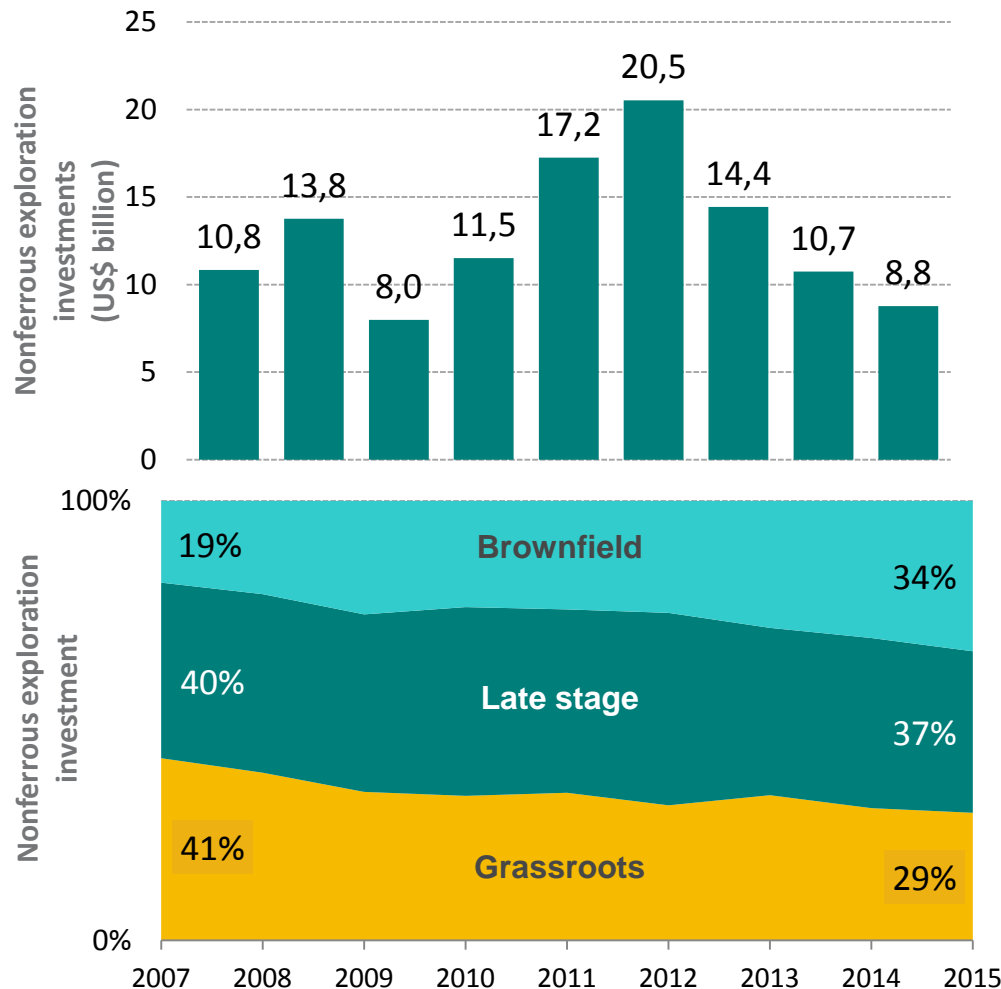


Vale's Adjusted EBITDA*
US\$ billion



* Adjusted EBITDA excludes gains and/or losses on sales of assets and non-recurring expenses and includes dividends received from non-consolidated affiliates

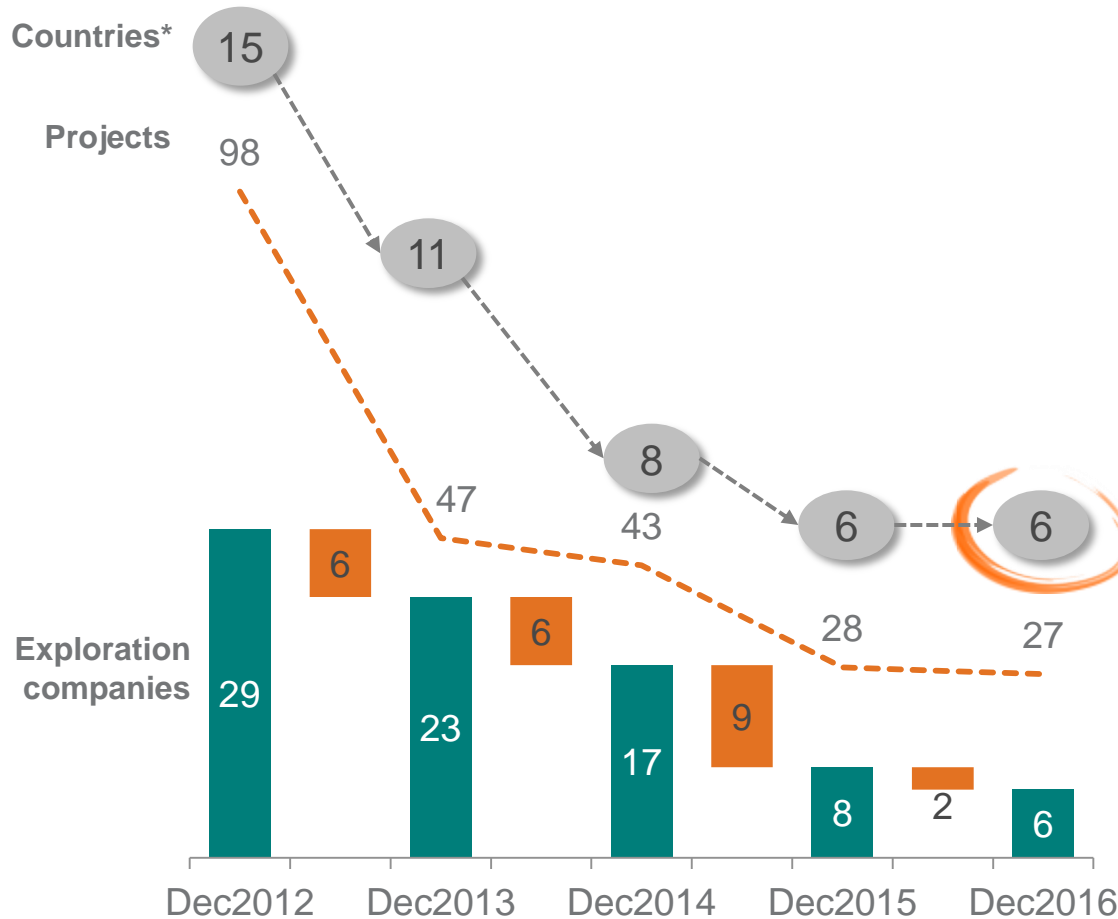
...and caused a significant decrease in exploration expenditures worldwide



- Investments are not expected to return to the levels seen in the past years.
- Change of balance: brownfield is favored over grassroots.

* Source: SNL 2016.

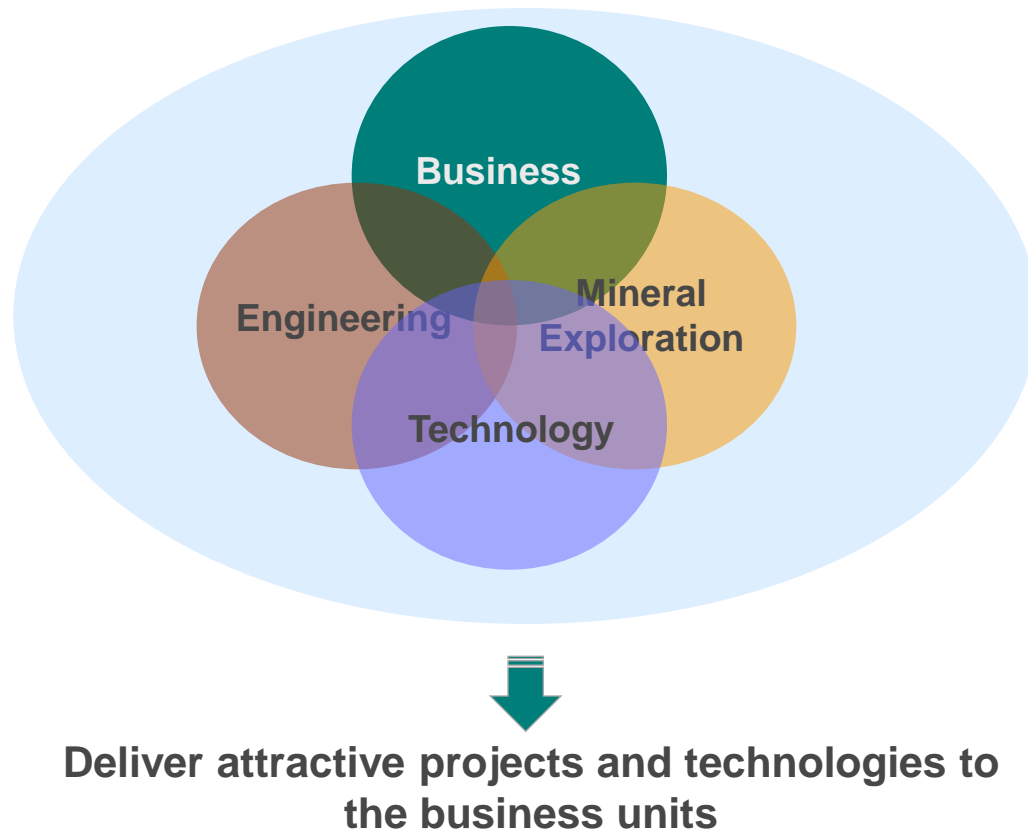
Vale's Exploration has promptly reacted to this new scenario



* Countries with "active" projects/programs

- Focused on key minerals: copper, nickel, iron ore and fertilizers.
- Simplified structure.
- Preservation of our core competencies and agility
- Smaller number of projects
- Focus on strategic regions with greater geological potential, associated with a conducive environment for mining projects.

Mineral exploration in Vale encompasses a multidisciplinary group, working to deliver attractive projects to the business units



Vale's exploration drivers and challenges

Goals

- ✓ Discover and develop deposits with high production scale and low cost
- ✓ Initiatives to extract maximum potential of existing assets

Challenges

- ✓ Changes in legislative frameworks
- ✓ Obtain the social license to operate
- ✓ Generate greenfield opportunities in a budget constrained scenario

Mineral Exploration Strategy

Sustainability: Health, Safety, Environment and Communities

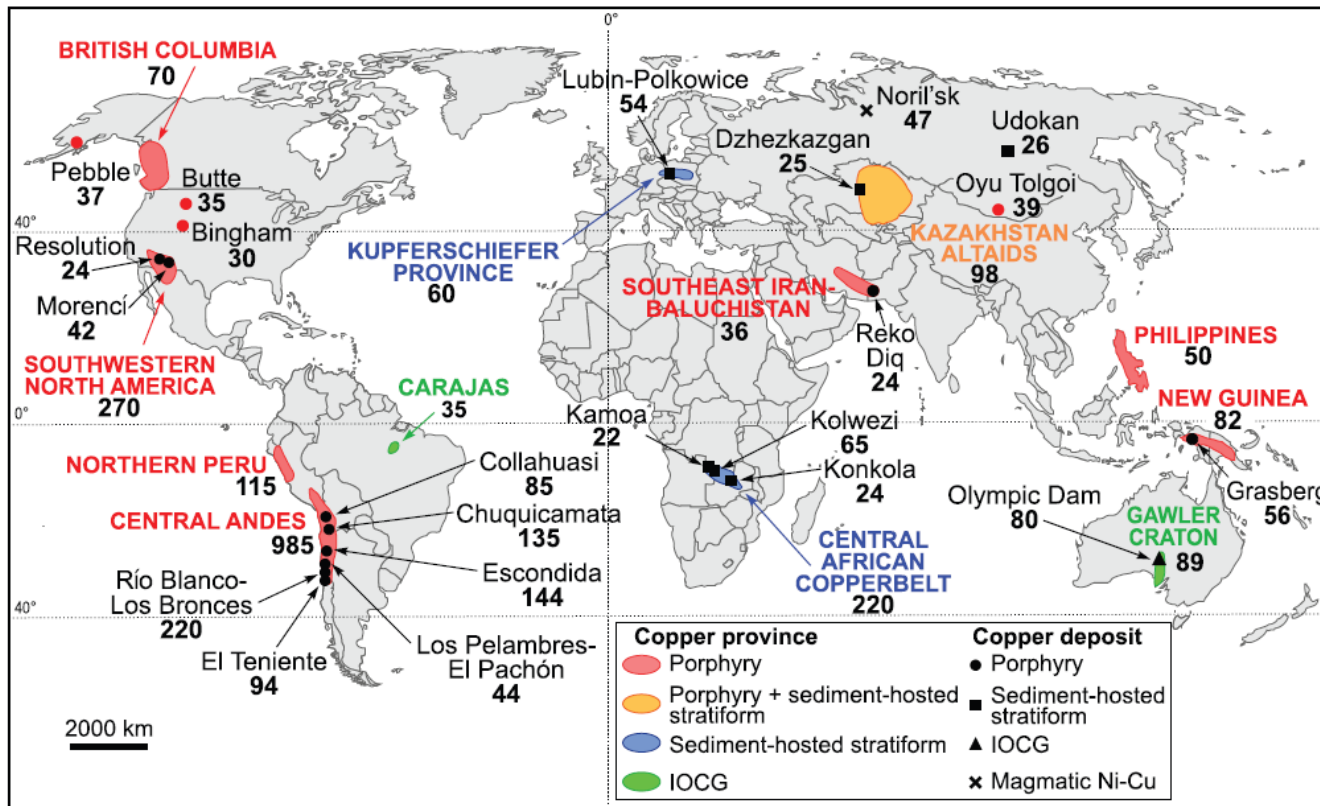
Good positioning, “to be where the big deposits are”

Continuous innovation, seeking new concepts and new technologies

Strategic alliances and flexible models of partnership

Continuous effort and investment in greenfield exploration

High credibility with society, government, environmental agencies and investors



R, Sillitoe, 2012 - Society of Economic Geologists, Inc.
Special Publication 16, pp. 1-18



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Target countries selection

High Fertility

- Minerals are unevenly distributed and some provinces hold a large number of deposits
- “Hot spots”: large number of recent discoveries
- Size: *world class* projects and operations
- Multi-commodity countries
- New concepts, Immature exploration, exploration under cover

Synergy

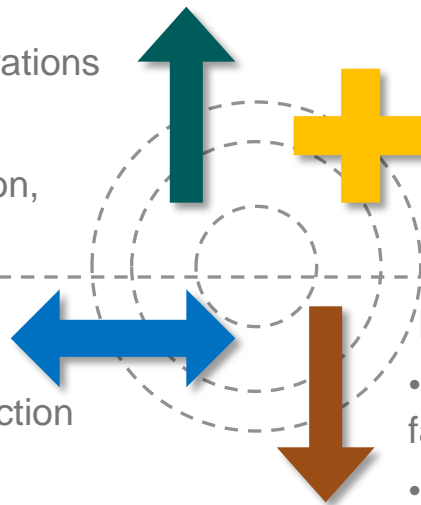
- Vale presence: existence of production hubs and a structure to support exploration
- Value generation through the development of brownfield projects

Favorable mining and exploration environment

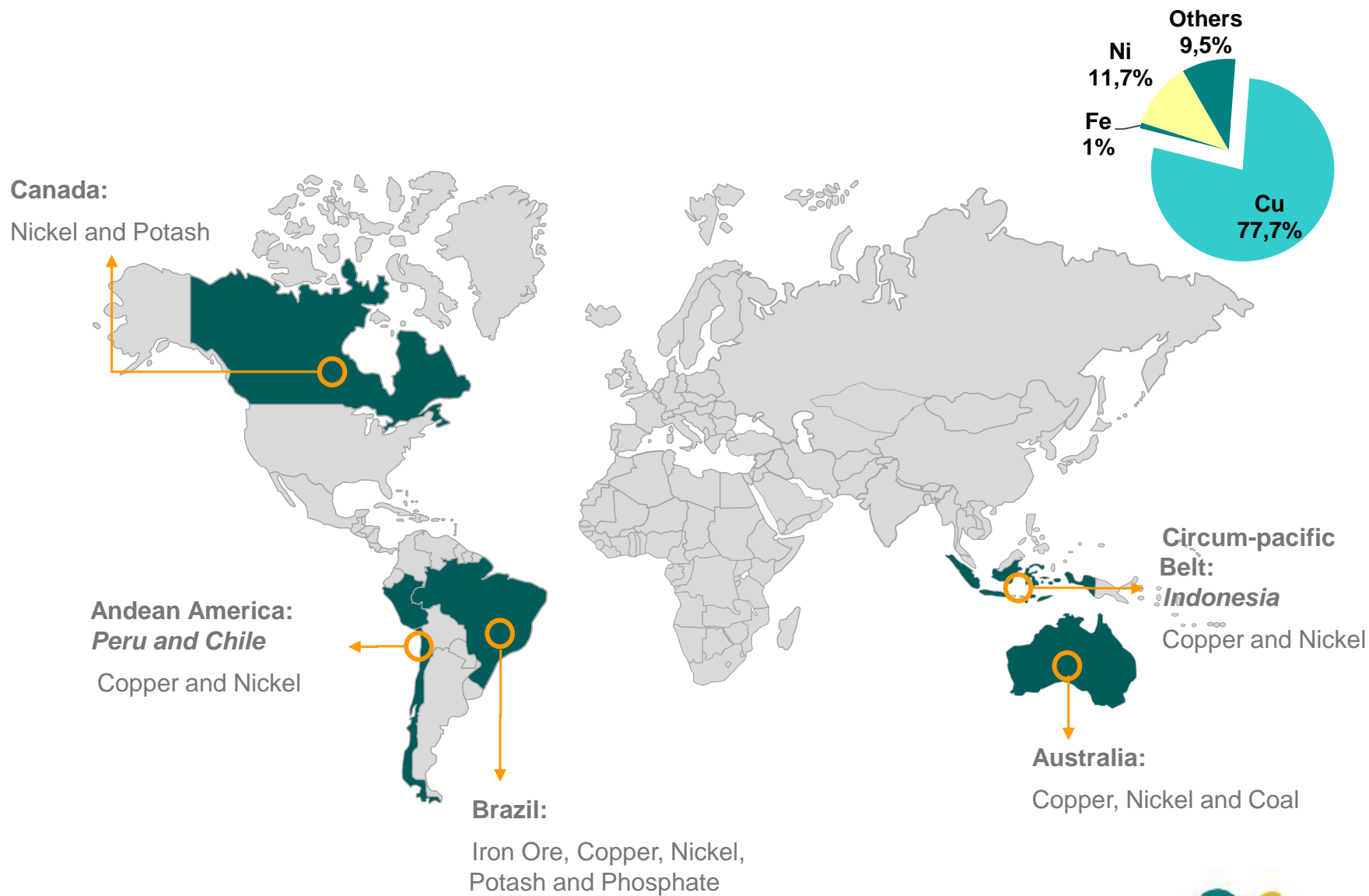
- Mining industry well established, with high scale projects
 - Projects are implemented without significant delays or setbacks

Lower risk

- Mineral and environmental legislation favorable to mining
- Mineral rights acquisition through partnerships (risk leveraging)
- Availability of mineral rights
- Well established HSEC culture



Vale's 2016 exploration program



Divestment of selected exploration assets

There are good exploration projects that may not suit to Vale's strategy:

- **Not big enough:** in the search for world-class assets, other smaller deposits are identified
- **Non core commodities:** Vale prioritizes iron ore, copper, nickel and fertilizers
- **Economically positive, lower priority:** projects in the portfolio are ranked by attractiveness. Some projects, which are not at the top of the list for investment may be attractive to others

Vale believes in exploration to support its organic growth

Relevant projects delivered in recent years from greenfield and brownfield exploration



Vale. There is no future without mining.

**And there can be
no mining
without caring
about the future.**

Future

Thank you

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Global Exploration

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For a world with new values.