



Autonomous stacker reclaimer in Serra Norte stockyard (March 2022)

# Vale's performance in 1Q22

Rio de Janeiro, April 28, 2022



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Disclaimer



**We are building a  
better Vale**

# Building a better Vale

## De-risking



- Brumadinho
- Mariana
- Dam safety
- Production resumption

## Reshaping



- Focus on core business
- Elimination of cash drains
- Accretive growth opportunities
- Cost efficiency

## Re-rating



- Benchmark in safety
- Best-in-class reliable operator
- Talent-driven organization
- Leader in low carbon mining and ESG practices
- Reference in creating and sharing value

**Sound cash flow generation**

**Discipline in capital allocation**

# Business and financial highlights

Significant milestones achieved and on track to deliver on our strategic and financial objectives

## Iron Ore

- US\$ 9.1/t All-in premium
- Expected improvement in the next quarters to meet 320-335 Mt guidance

## Base Metals

- EV market long-term supply agreement: Northvolt
- Sudbury mines achieving pre-labor disruption run rates

## Portfolio optimization

- Conclusion of Moatize and CSI sale
- Announcement of Midwestern System sale

## Capital allocation

- US\$ 3.5 billion dividends paid
- Strong execution of share buyback program (~100 million shares in 1Q22)
- New program announced (500 million shares)

# Increasing integration between business and ESG strategy

## Investments in decarbonization via Tecnoored



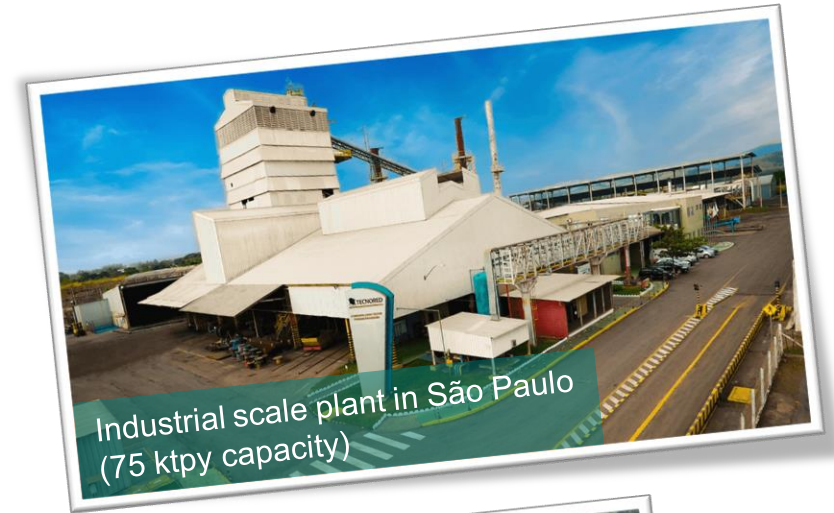
“Green”, low-cost pig iron production, by potentially replacing coal with biocarbon



10-15% lower capital and operational cost-intensity<sup>1</sup>

### Supporting steelmaking decarbonization

- Offer the steelmaking industry a viable technological solution for decarbonization investments, once proved on an industrial scale
- Contribute to Vale’s net Scope 3 emissions reduction target of 15% by 2035



<sup>1</sup> Compared to blast furnace route.

# Making progress on responsible divestments of non-core business

## Goals



*Portfolio Optimization*

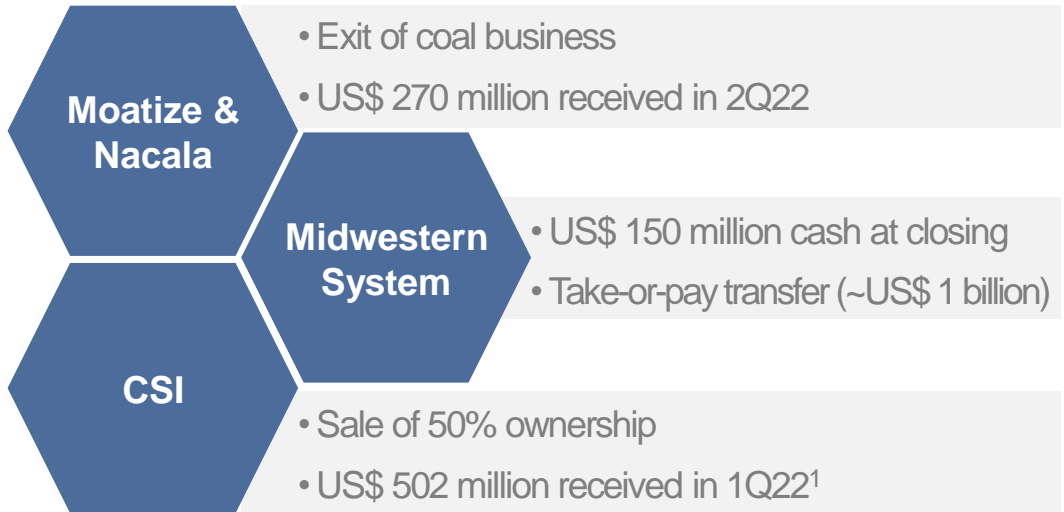


*Solving cash drains*

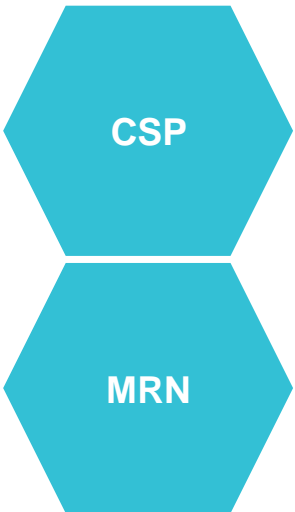


*Focusing on core business*

## Recent divestments



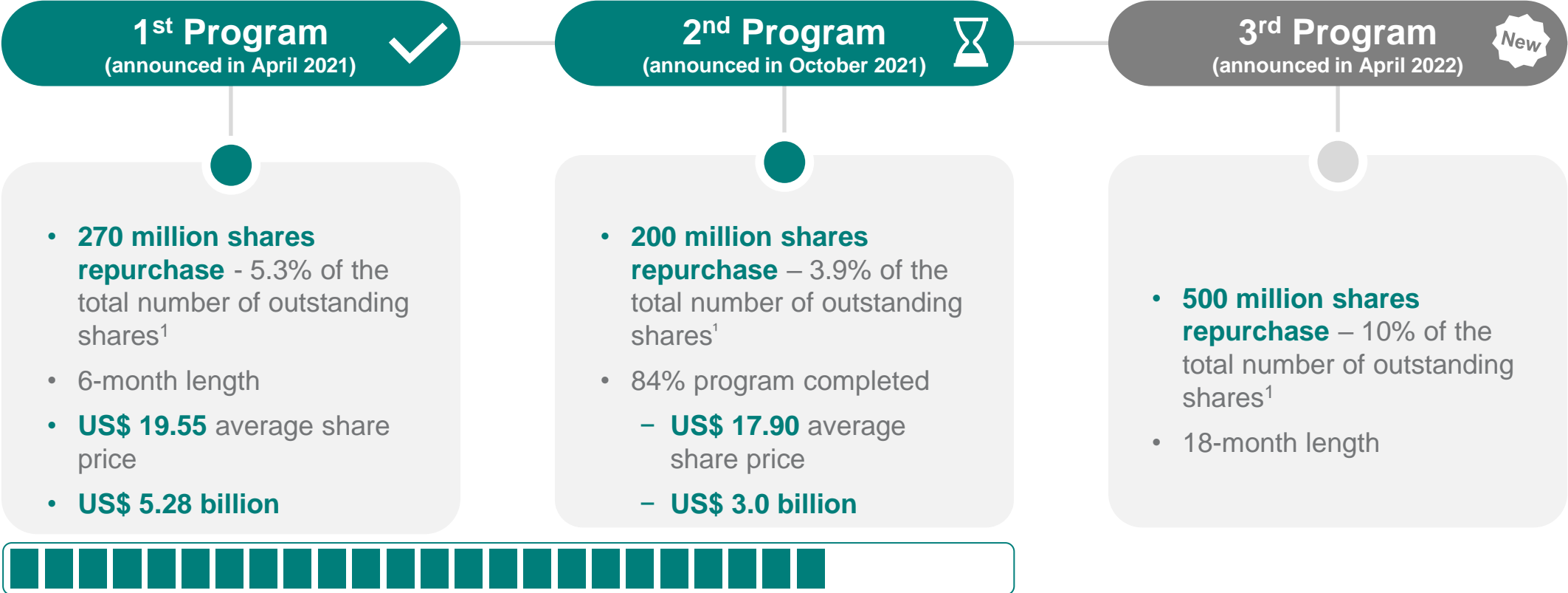
## Upcoming



<sup>1</sup> US\$ 437 million in cash and US\$ 65 million in dividends for 2H21 results.

# Share buyback programs to reach ~20% of outstanding shares<sup>1</sup>

## Share buyback programs since 2019



+90% of ~9.2% complete...



<sup>1</sup> As of March 2021 (5,130,801,436 shares).



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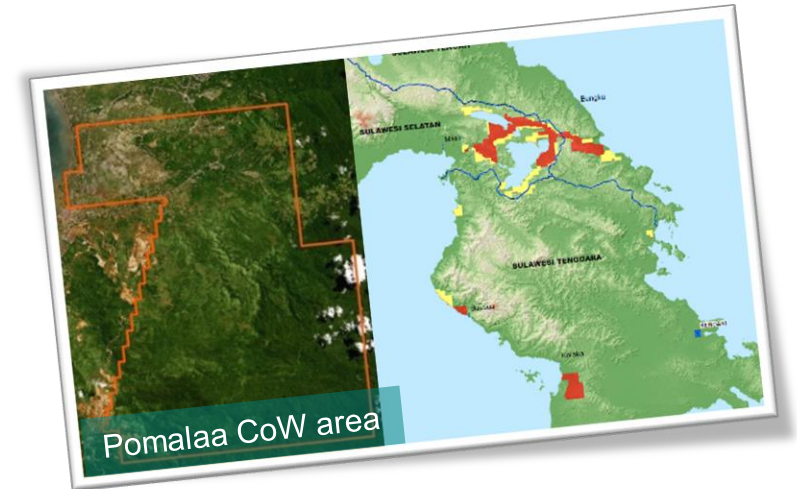
**Base Metals**

# We continue to advance in our Base Metals agenda

- 1 Benchmark in Safety & Sustainability**  
*Core value within Vale, an uncompromising commitment*
- 2 Achieving our Full Resource Potential**  
*World class resource base in key global regions*
- 3 Delivering Project Pipeline**  
*Robust suite of projects to deliver long term value*
- 4 Mine Productivity & Performance**  
*Leading from our mine face to safely deliver value*
- 5 Foundational Major Player in North American EV Industry**  
*Positioned to be a leading North American based provider of critical metals*
- 6 New Pact with Society**  
*A low carbon, responsible company that differentiates from the pack*



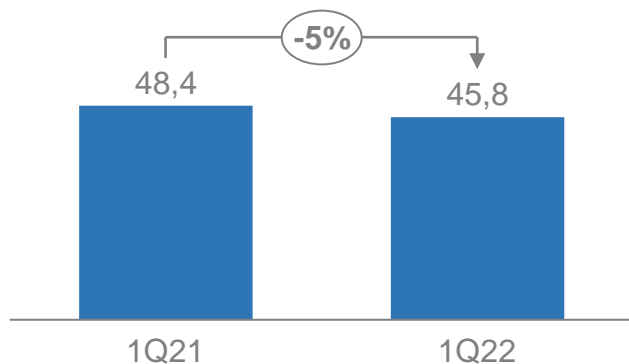
- Announced an agreement to sell our low-carbon nickel products to battery manufacturer Northvolt
- Certificate for carbon footprint of:
  - Nickel pellets from Sudbury and Clydach
  - Nickel powder from Sudbury
  - Copper concentrates from Salobo and Sudbury mines



- Non-binding framework agreement between PTVI and Huayao to develop an HPAL project in Pomalaa
- Targeted production scale: up to 120 ktpy of nickel in MHP
- PTVI will own 100% the mine and have the right to acquire up to 30% of the HPAL project

# Production impacted by ramp-up of Sudbury mines, including Totten resumption, ramp-up of VBME and maintenance at Sossego and Salobo

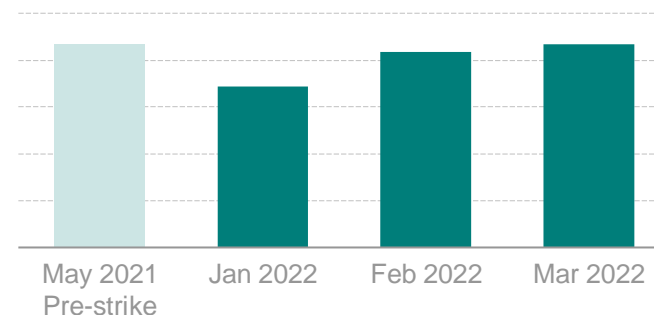
Nickel production - kt



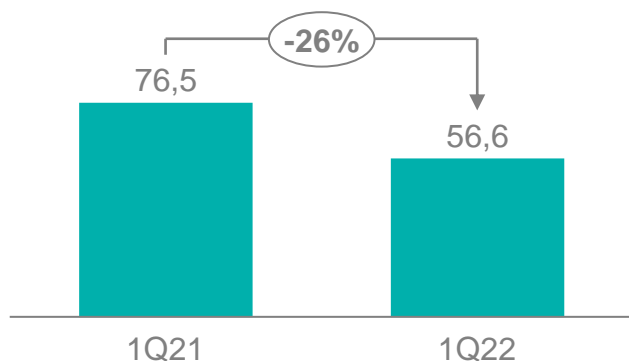
Sudbury mines achieving pre-labor disruption run rates

- Totten reaching pre-incident rates
- Stable performance in Onça Puma
- Planned maintenance in Matsusaka
- Increase in third-party sourced feed to maximize downstream utilization
- Ramp-up of VBME project

Sudbury mine performance  
tonnes of ore mined – daily average



Copper production - kt



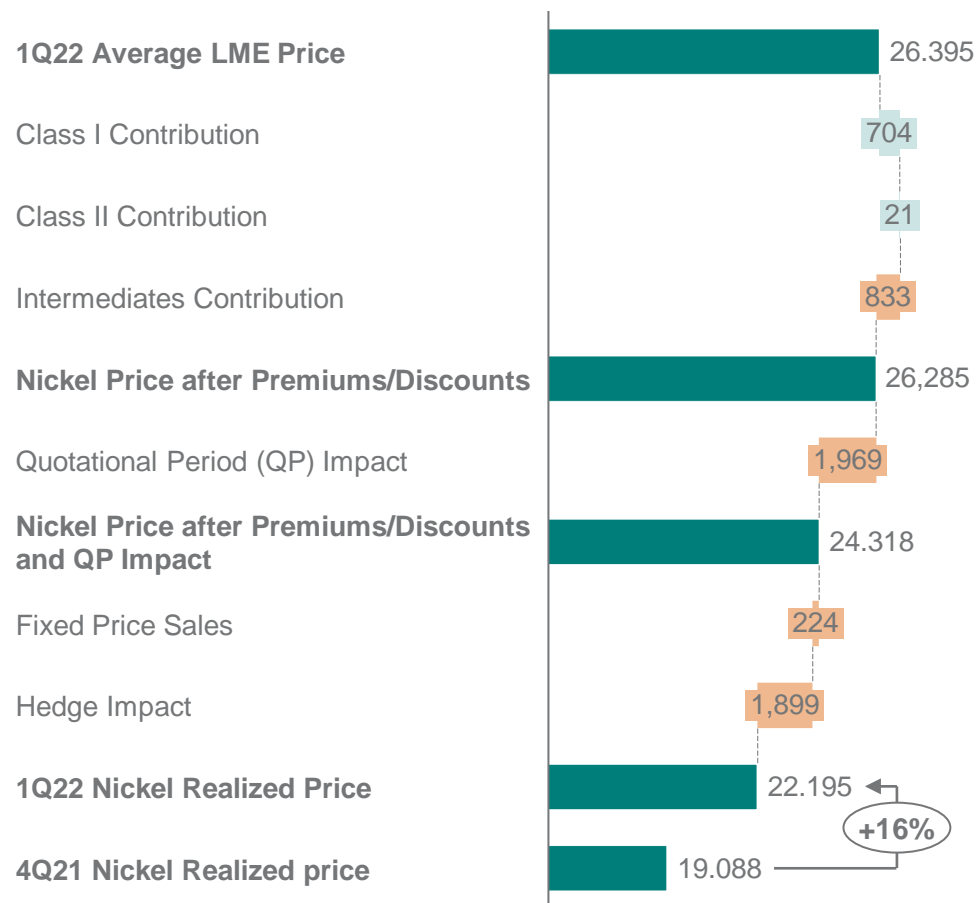
- Sossego SAG mill maintenance extended
- Maintenance on Salobo's mill liners and impact of heavy rains on mine plan
- Lower by-products from Canadian operations

Mining ahead of plan allowing plant to work with maximum throughput after maintenance

Drawdown of maintenance backlog and higher grades zone to be mined in 2H22

Mining production increased in Sudbury - pre-strike levels

# Ni price realization was 16% up in the quarter



## Product Premiums and Discounts

Category	Volume (kt Ni)	Average Premium (\$/t) <sup>1</sup>
Upper Class I	20	1,250
Lower Class I	5	550
Class II	9	90
Intermediates <sup>2</sup>	5	(6,480)

## Market Pricing

QP Exposure	Previous Period	Current Period
Typical Monthly QP Split	~50%	~50%

## Hedge Impact

Category	Volume (kt Ni)	Nickel Price (\$/t)
Hedge Impact	12.3	20,340 <sup>3</sup>

- Not subject to margin call
- Volumes spread along 2022
- No volatility in earnings due to hedge accounting

<sup>1</sup> Average premium is rounded to nearest 5

<sup>2</sup> Intermediates mostly refers to PTVI matte, which is typically sold at a percentage of LME price

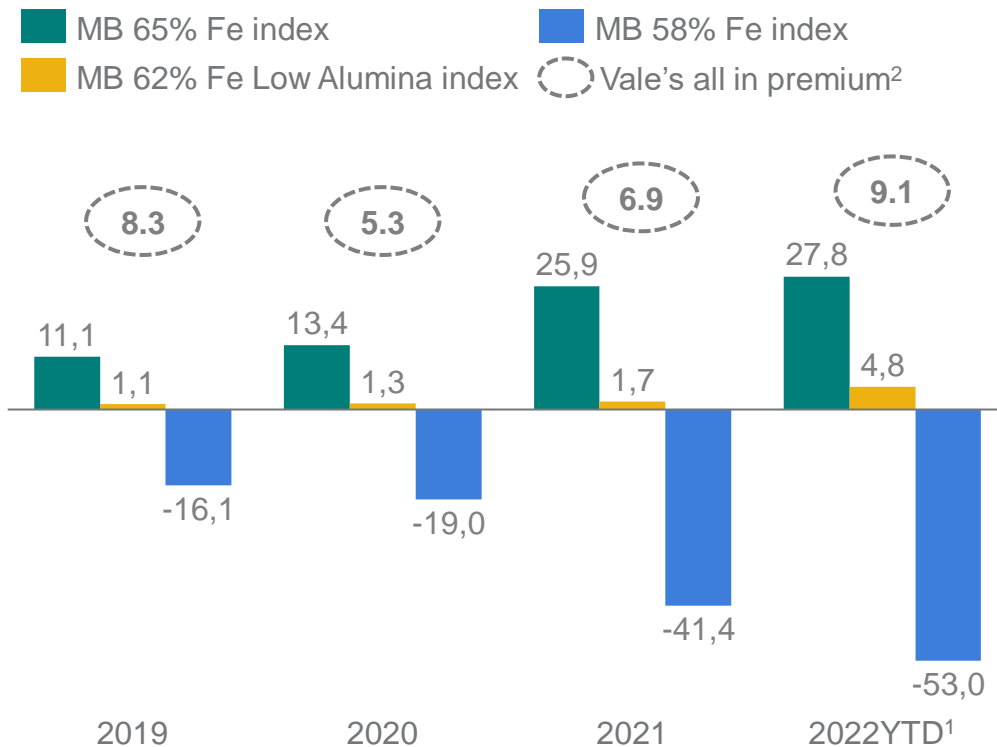
<sup>3</sup> Refers to average settlement price in the quarter

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**Iron Ore**

# Vale's product portfolio premiums widened in Q1

## Average spread to IODEX 62% (US\$/dmt)



### Long term drivers: Greener steelmaking

- Investment requirement for steelmakers
- Higher reductant costs
- Limited supply of high-quality ores



### Short term drivers: Supply chain disruptions

- High coke costs
- Concentrates restrictions
- Peers' replacement and disruptions in Brazil



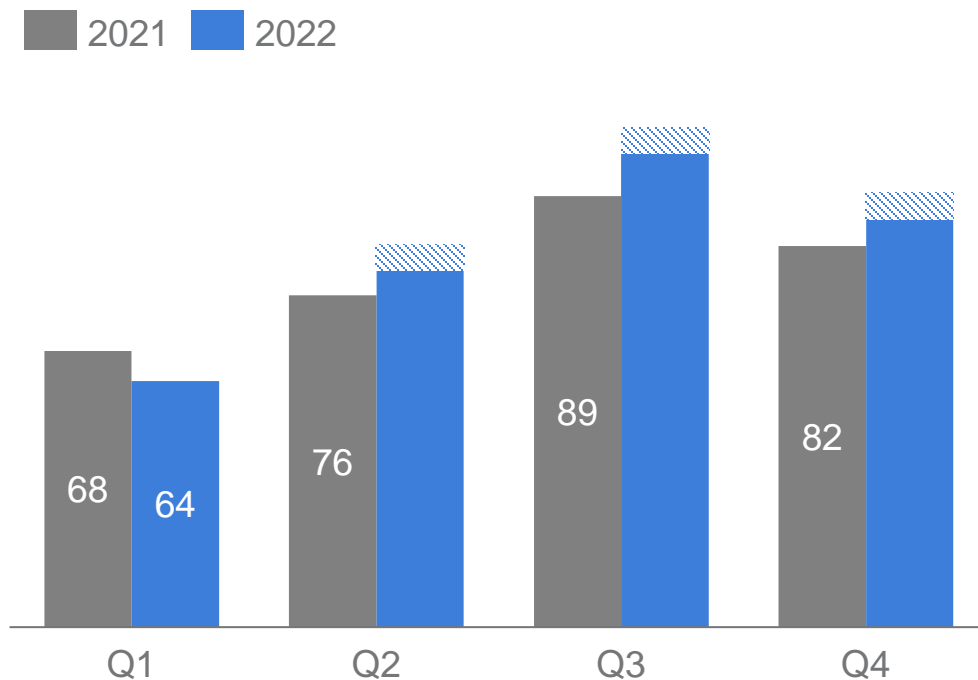
Vale is improving its premium portfolio (e.g. tailings filtration plants, IOCJ, concentration plants)

<sup>1</sup> Until April 25<sup>th</sup> 2022.

<sup>2</sup> 2019 and 2020 figures Include Midwestern System.

# We are confident to achieve the of 320-335 Mt production guidance in 2022

## Iron ore production (Mt)<sup>1</sup>



## Growth enablers

2Q22

- Minas Gerais April's production 30% higher MTD<sup>2</sup>: +2.1 Mt YoY.
- S11D: jaspilite crushers installation concluded (production level increase).
- Tailings filtration plants under commissioning (quality improvement)

2H22

- Major maintenances carried out in 1H22
- Dry weather seasonality
- Serra Norte: rolling licenses and Gelado project start-up

<sup>1</sup> Including Midwestern System production. <sup>2</sup> Until April 25<sup>th</sup> 2022.

# Making progress to deliver medium to long term production targets



## Serra Norte

- **Gelado project start-up** in 2H22
- Applying for **rolling licenses** to increase 2H22 production
- **New ore bodies under licensing** with further development (N3 and N1/N2)



## S11D

- Improved **ore body knowledge** and **new asset learning curve**
- **Medium term solutions under development:** New waste crusher to process large compact blocks, +10 Mtpy and Serra Sul 120 projects



## Itabira

- **Tailings filtration plants** ramping-up
- **Itabiruçu dam started raising works** in April (first phase to be completed by year end and final phase in 2023)



## Brucutu

- **Tailings filtration plant** ramping-up
- **Torto dam being concluded in 2Q22** and under licensing process until 4Q22
- **Licensing and development of tailings/waste stockpiles** areas



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**1Q22 highlights**

# Seasonally lower volumes offset by higher prices and premiums

EBITDA variation – US\$ million (1Q22 x 4Q21)



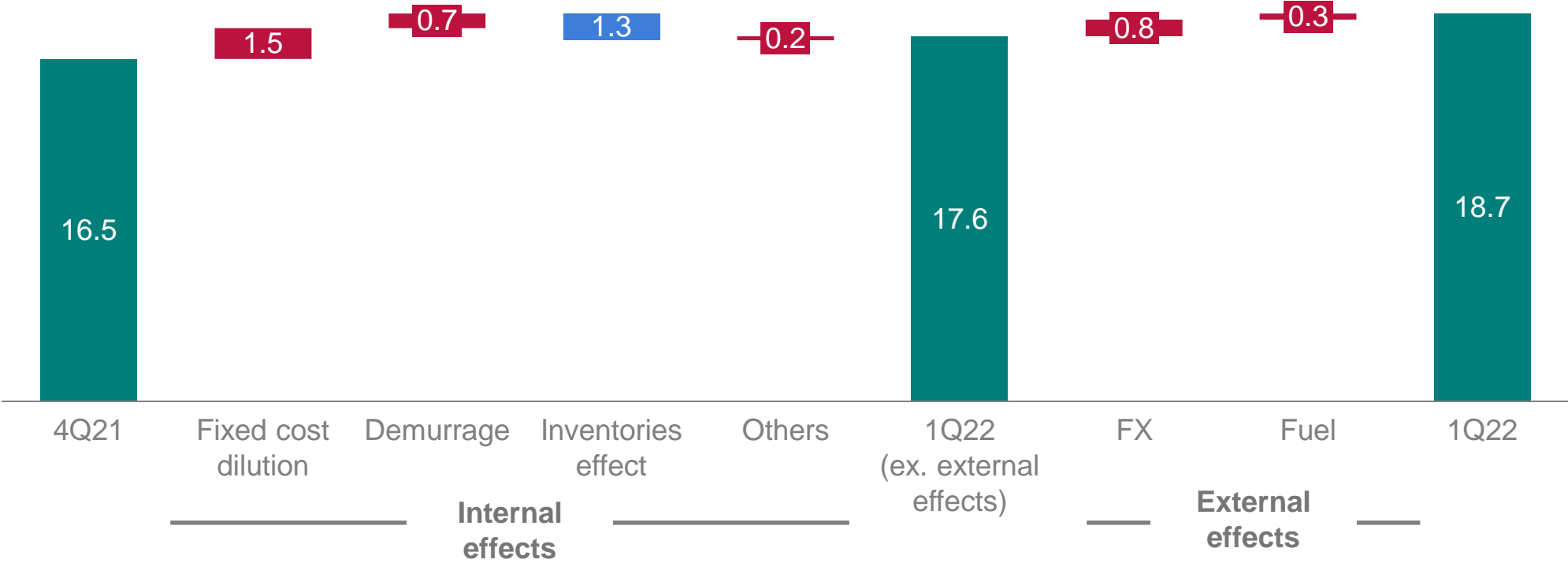
<sup>1</sup> Proforma EBITDA from continuing operations.

<sup>2</sup> Includes the impact of third-party purchase, royalties, distribution center, and leasing.

<sup>3</sup> Includes costs and expenses, the impact of trading operations, the impact of by-products, and others.

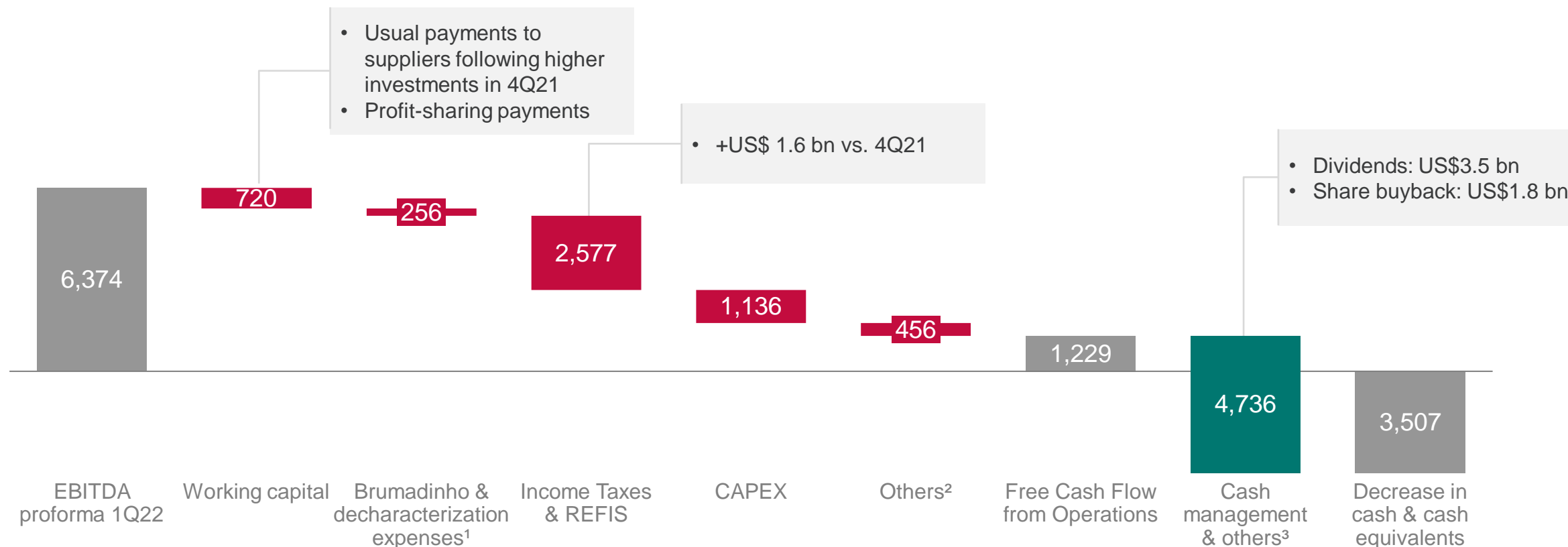
# C1 mainly impacted by lower volume, FX and fuel prices

C1 cash cost ex-third-party purchase (US\$/t)



# Vale distributed US\$ 3.5 billion to shareholders and repurchased US\$ 1.8 billion of its shares

## Free cash flow (US\$ million)



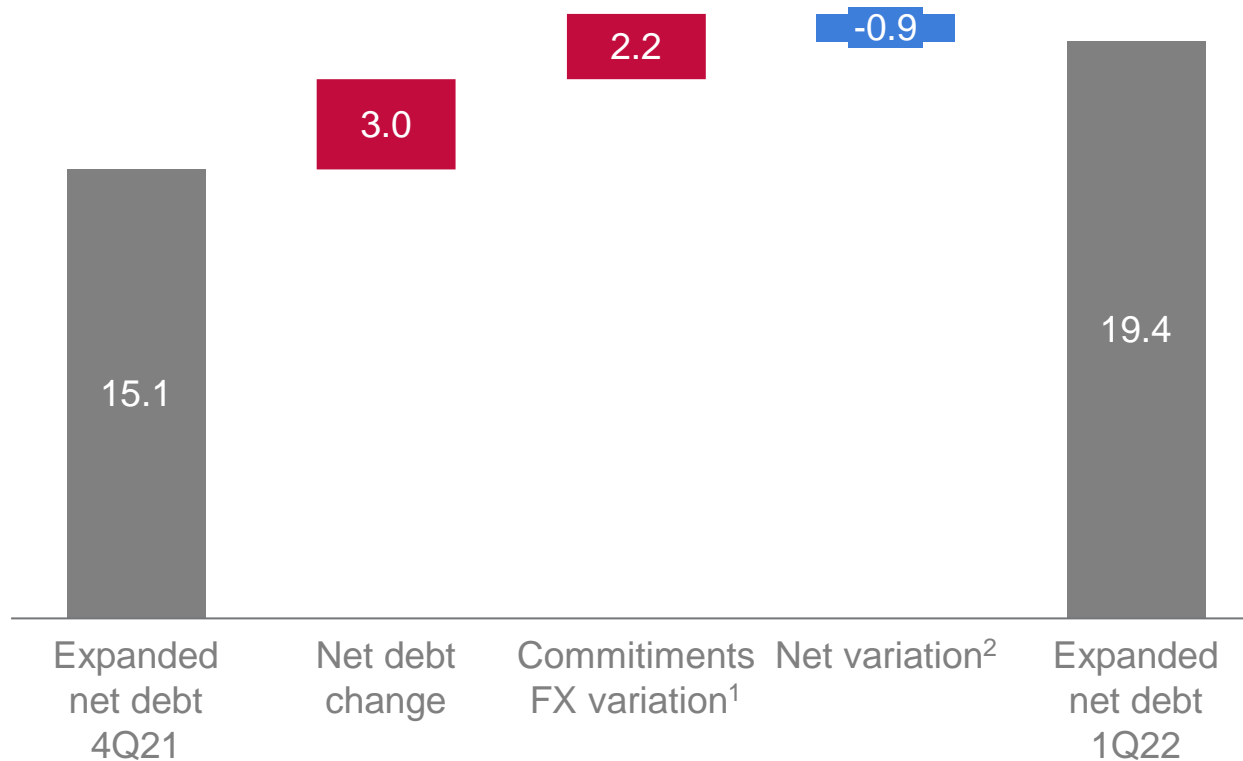
<sup>1</sup> Includes US\$ 133 million of disbursement of Brumadinho provisioned expenses, US\$ 123 million of Brumadinho incurred expenses.

<sup>2</sup> Includes interest on loans, derivatives, leasing, dividends paid to noncontrolling interest, and others.

<sup>3</sup> Includes US\$ 3.480 billion of shareholder remuneration, US\$ 1.788 billion of share buyback, US\$ 502 million from the sale of the participation in CSI, US\$ 425 million of debt funding, and US\$ 395 million of debt repayment.

# Optimal leverage was reviewed to US\$ 10 - 20 billion range

Expanded net debt (US\$ billion)



Key enablers to support US\$ 10-20 bn range



<sup>1</sup> Includes Refis, Brumadinho provisions, De-characterization provisions, Samarco & Renova Foudation provisions.

<sup>2</sup> Includes currency swaps, Refis, Brumadinho provisions, De-characterization provisions, Samarco & Renova Foudation provisions.

# Closing remarks

**Remain laser-focused on delivering on our strategic & financial objectives**

**Uniquely positioned to lead the sector towards higher ESG standards**

**Confident on achieving our production targets for the year**

**Capital discipline and superior return to shareholders to remain a priority**