

Vale announces strategic partnership to accelerate the growth of its Energy Transition Metals business

Rio de Janeiro, July 27th, 2023 – Vale S.A. (“Vale” or “Company”) today signed a binding agreement with Manara Minerals¹, a joint venture between Ma’aden and PIF, under which Manara Minerals will invest in Vale Base Metals Limited (“VBM”), the holding entity of Vale’s Energy Transition Metals business, at an implied enterprise value of US\$ 26.0 billion. Concurrently, Vale and investment firm Engine No. 1 entered into a binding agreement pursuant to which Engine No. 1 will make an equity investment in VBM under the same economic terms. The total consideration to be paid to VBM under both agreements is US\$ 3.4 billion, for a 13% equity interest.

This strategic partnership will accelerate the growth of VBM, supporting the global energy transition. Over the next decade, VBM is expected to invest US\$ 25-30bn in strategic mineral projects, enabling significant potential increase in our copper production from about 350kt/year to 900kt/year and in nickel production from about 175kt/year to more than 300kt/year. The total enterprise value of US\$ 26.0 billion underscores the unique endowment of Vale’s Energy Transition Metals business, one of the largest holders of resources and reserves in key critical minerals jurisdictions such as Brazil, Canada, and Indonesia.

The total consideration of US\$ 3.4 billion will be paid in cash to VBM at the closing of the transaction, subject to customary adjustments. Manara Minerals will own 10% of VBM, while Engine No. 1 will hold a 3% stake. The closing is expected to occur by 1Q24, subject to customary conditions precedent, including the approval of relevant regulatory authorities.

“We see these strategic investments as a major milestone in our path to accelerate accretive growth in our Energy Transition Metals business platform, creating significant long-term value to all of our stakeholders,” said Eduardo Bartolomeo, Vale’s CEO. *“With our high-quality portfolio, we are uniquely positioned to meet the growing demand for green metals essential for the global energy transition, while remaining committed to strong social and environmental practices and sustainable mining.”*

Robert Wilt, Executive Director of Manara Minerals and CEO of Ma’aden said, *“Manara Minerals’ investment into Vale Base Metals marks our first major investment into the global mining sector. This strategic investment signifies our confidence in Vale’s strategic minerals business and will facilitate growth in VBM’s world class asset portfolio across all of the countries it operates in. Manara Minerals brings long term capital, mining experience, and deep sector knowledge, and will act as a key strategic partner in global supply chain resilience and energy transition efforts.”*

Chris James, Founder of Engine No. 1, said, *“We are proud to support the Vale Base Metals team in driving the next stage of growth for these critical assets. Vale Base Metals is best positioned to supply the responsibly sourced raw materials needed to build the infrastructure of the future.”* Erik Belz, Engine No. 1’s head of private capital, added, *“Our private capital mission is to partner with companies to create value by operating assets in a responsible and sustainable way while delivering critical materials. We look forward to building this important platform with Vale Base Metals.”*

¹ Manara Minerals Investment Company is a new venture between the Saudi Arabian Mining Company (Ma’aden) and the Public Investment Fund (PIF).

About Manara Minerals

Manara Minerals Investment Company is a new venture between the Saudi Arabian Mining Company (Ma'aden) and the Public Investment Fund (PIF) established to invest in mining assets globally and support the development of resilient global supply chains. The company aims to initially invest in iron ore, copper, nickel, and lithium.

Manara Minerals' investments are underpinned by a focus on expanding the global supply of critical materials that will support the global energy transition. In addition, these investments will help drive growth and development in the countries the company invests in, creating economic opportunities for local communities, supporting the development of infrastructure, and aiding the transfer of skills and technology. For more information, please visit: www.manaraminerals.com

About Engine No. 1

Engine No. 1 is an investment firm that creates value for shareholders and companies by providing transformative capital, as well as operational and technological expertise, to industries that are undergoing fundamental transition. The firm is focused on the investment themes of decarbonization and the relocalization of North American supply chains. For more information, please visit: www.engine1.com

Gustavo Duarte Pimenta
Executive Vice President, Finance and Investor Relations

For further information, please contact:
Vale.RI@vale.com
Ivan Fadel: ivan.fadel@vale.com
Mariana Rocha: mariana.rocha@vale.com
Luciana Oliveti: luciana.oliveti@vale.com
Pedro Terra: pedro.terra@vale.com

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.