



Ground Zero Project for environmental recovery in Brumadinho (MG)

Vale's Performance in 4Q19

Rio de Janeiro, February 21st, 2020



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The reparation of Brumadinho advances with agility and quality

R\$ 3.2 billion
in indemnifications paid¹

3 framework agreements for direct compensation		
Emergency aid	Civil	Labour
+106,000 beneficiaries	+4,450 beneficiaries ¹	+1,570 beneficiaries ¹

-  24 agreements entered into
-  Environmental recovery
-  Infrastructure works

¹ Approximate figures, as of February 20th, 2020.

Vale is on track to be one of the safest and most reliable mining companies in the world

Cultural transformation



Every accident is preventable

Global risk assessment

Review Tailings Management System

VPS revised and relaunched

Strengthen our global maintenance structure

Our new pact with society sets bold commitments

New 2030 targets: leading the transition to a carbon neutral mining

Climate change



Reduce GHG emission aligned with the Paris Agreement and be carbon neutral in 2050

Energy



100% self-generation of clean energy globally

Water



Reduce new water collection by 10%

Forests



Recover and protect 500,000 ha of degraded land beyond our boundaries

Socioeconomic contribution

Health care, education and income generation



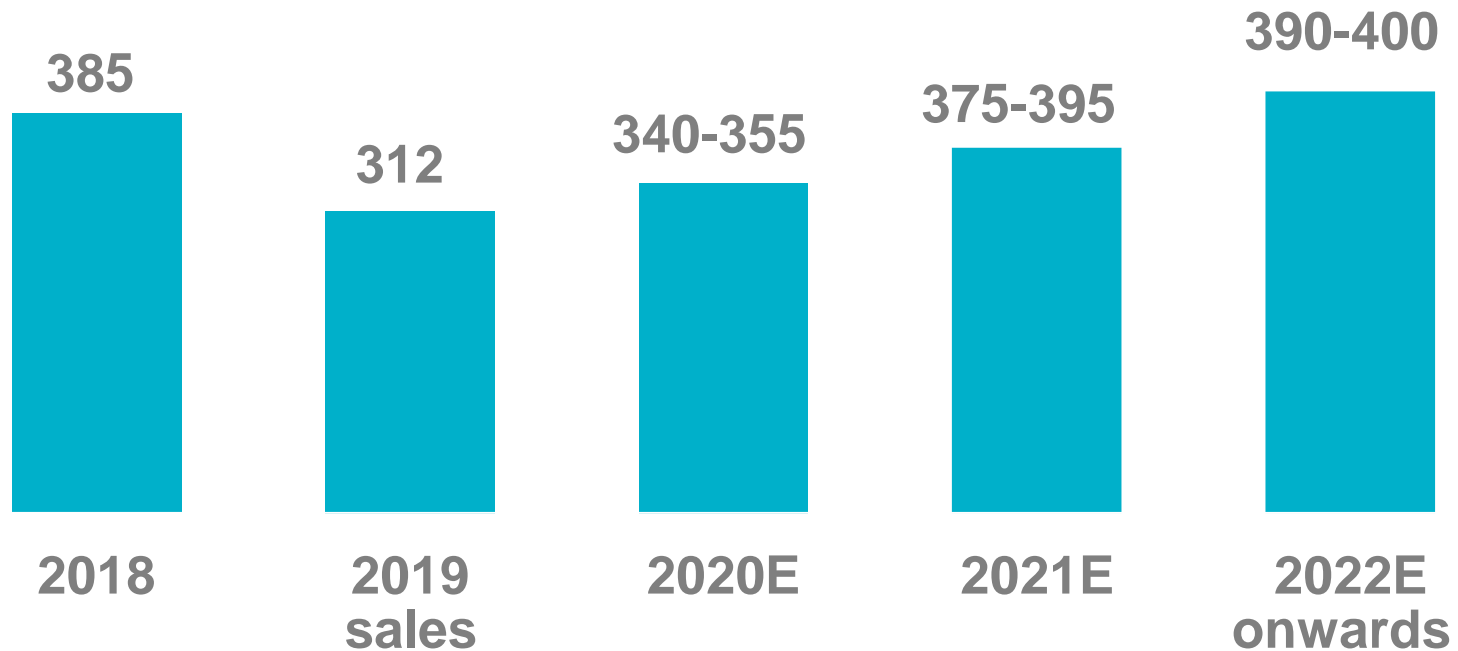
ESG Gaps



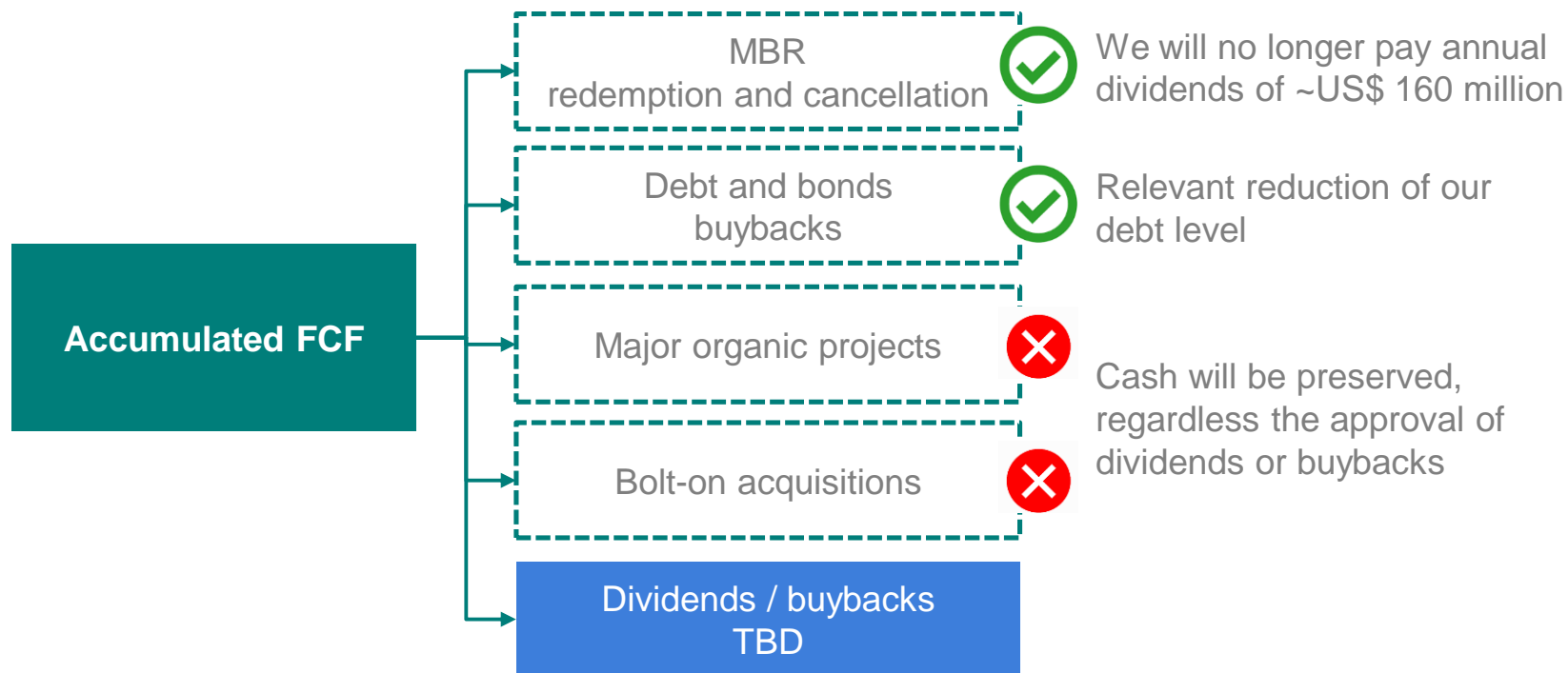
Eliminate main ESG gaps in relation to best practices.

Production stabilization is underway

Iron ore production, in Mt



We remain disciplined in allocating capital



In 2020, we continue *de-risking* Vale

Reparation of Brumadinho

Assuring dam safety and asset integrity

Stabilizing dam safety and leveraging competitiveness

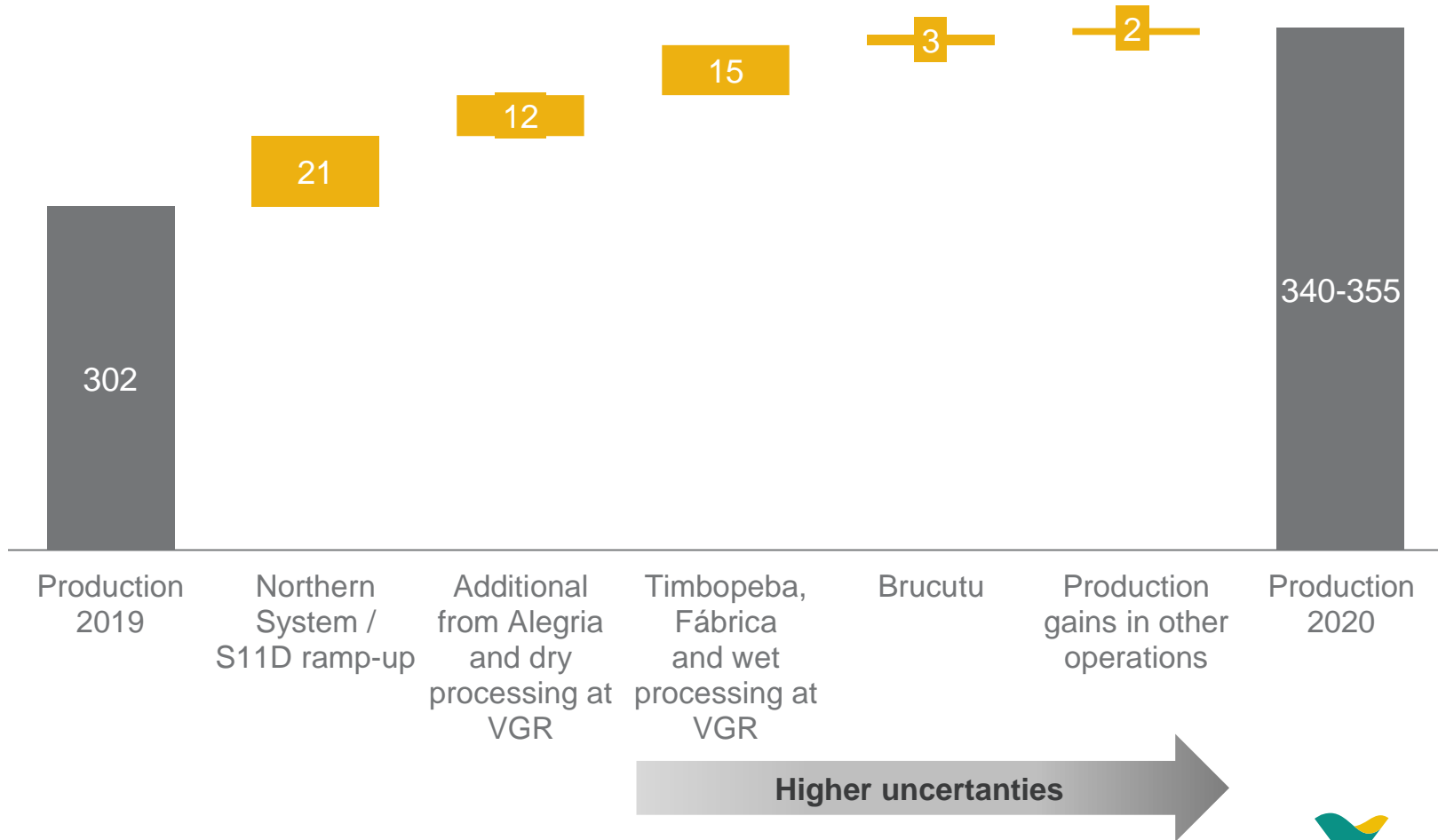
Discipline in capital allocation



**Highlights of Vale's
performance in 4Q19
and 2019**

Vale's iron ore production guidance for 2020 is 340-355 Mt

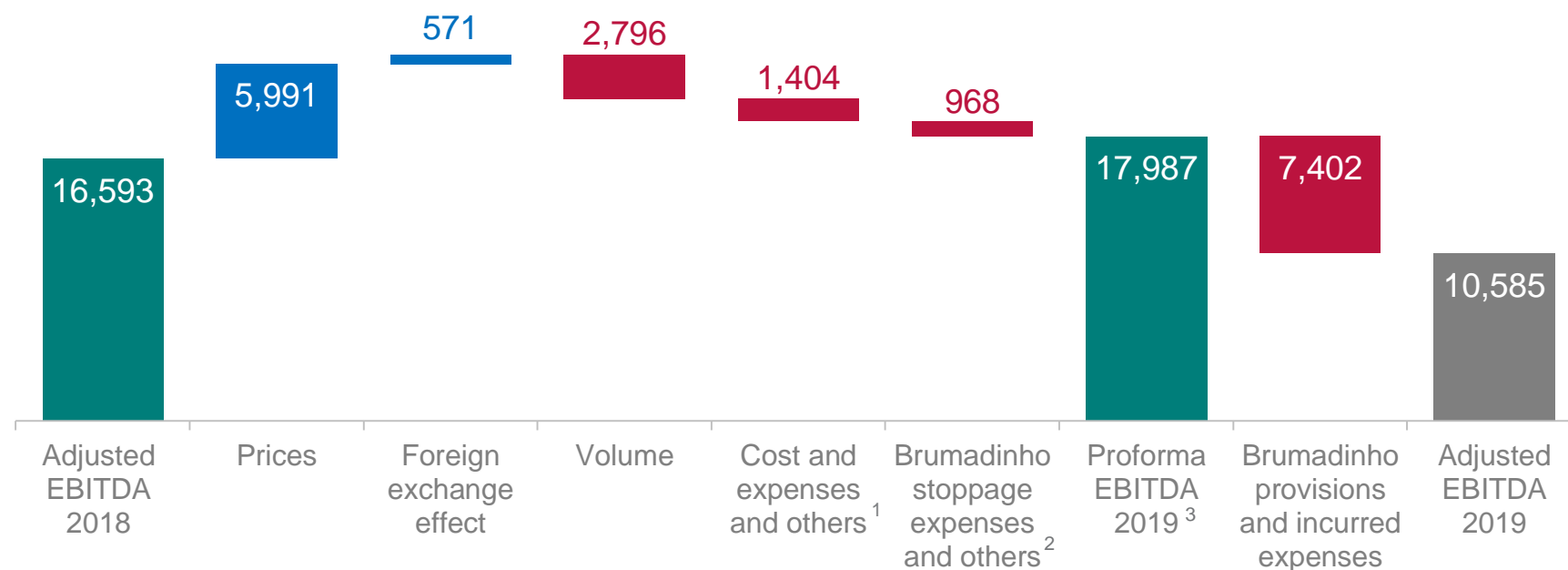
Iron ore production
Mt



Note: VGR refers to Vargem Grande.

In 2019 EBITDA proforma increased mainly due to higher prices

US\$ million



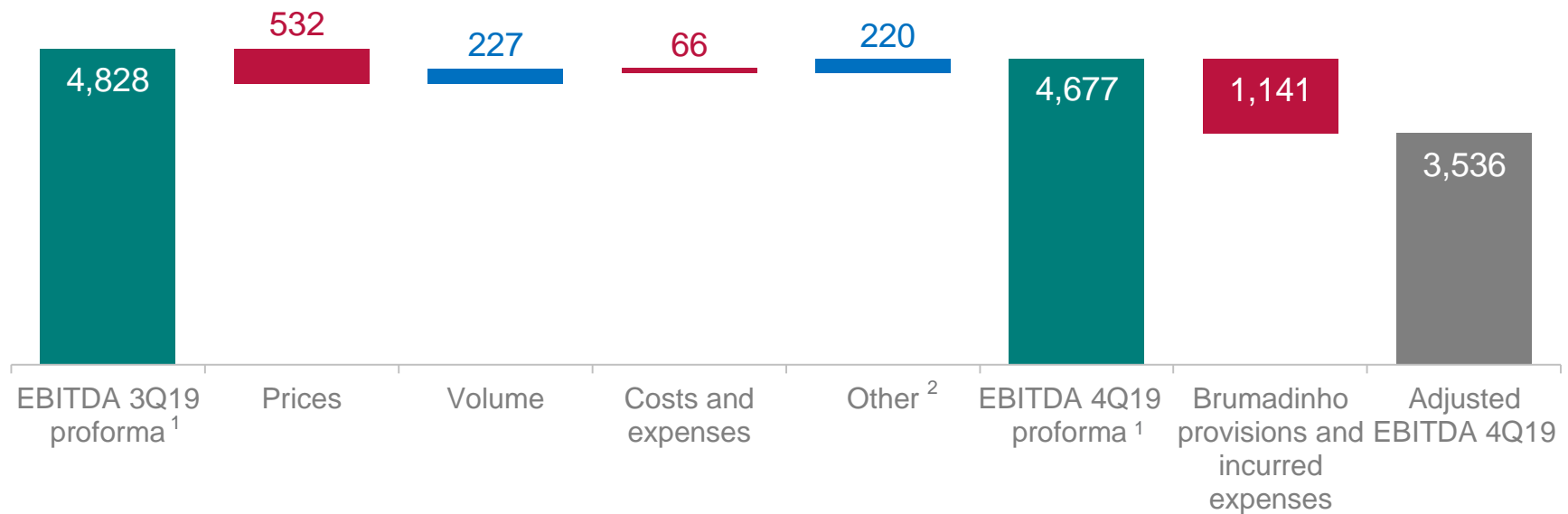
¹ Excluding stoppage and extraordinary logistics expenses due to Brumadinho and including dividends received.

² Stoppage expenses (US\$ 749 million) and extraordinary logistics expenses (US\$ 209 million) due to Brumadinho.

³ Net of Brumadinho provisions and incurred expenses.

In 4Q19 EBITDA proforma decreased due to lower prices, which were partially offset by higher sales volumes

US\$ million

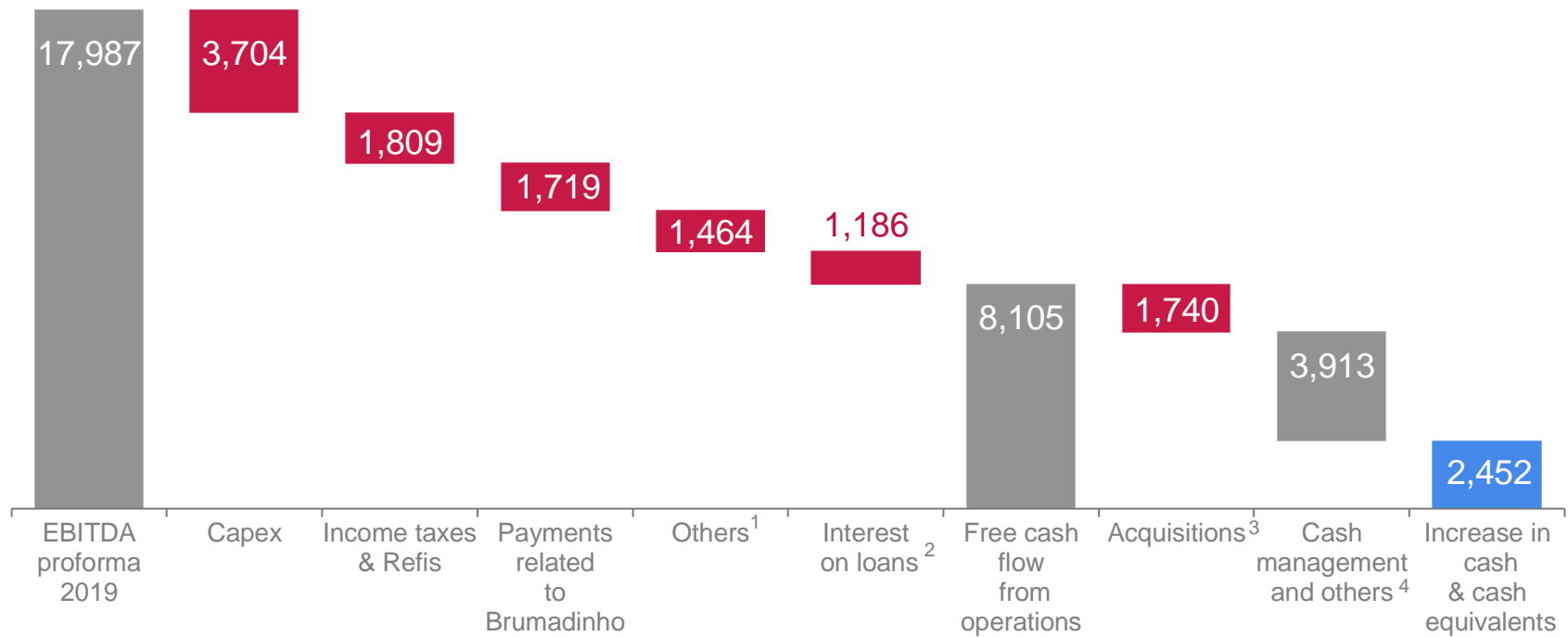


¹ Net of Brumadinho provisions and incurred expenses.

² Including US\$ 159 million of dividends received and US\$ 61 million of foreign exchange effect.

Vale generated US\$ 8.105 billion in Free Cash Flow from Operations in 2019

US\$ million



¹ Includes working capital, derivatives, Samarco, dividends and interest on capital paid to noncontrolling interest and others.

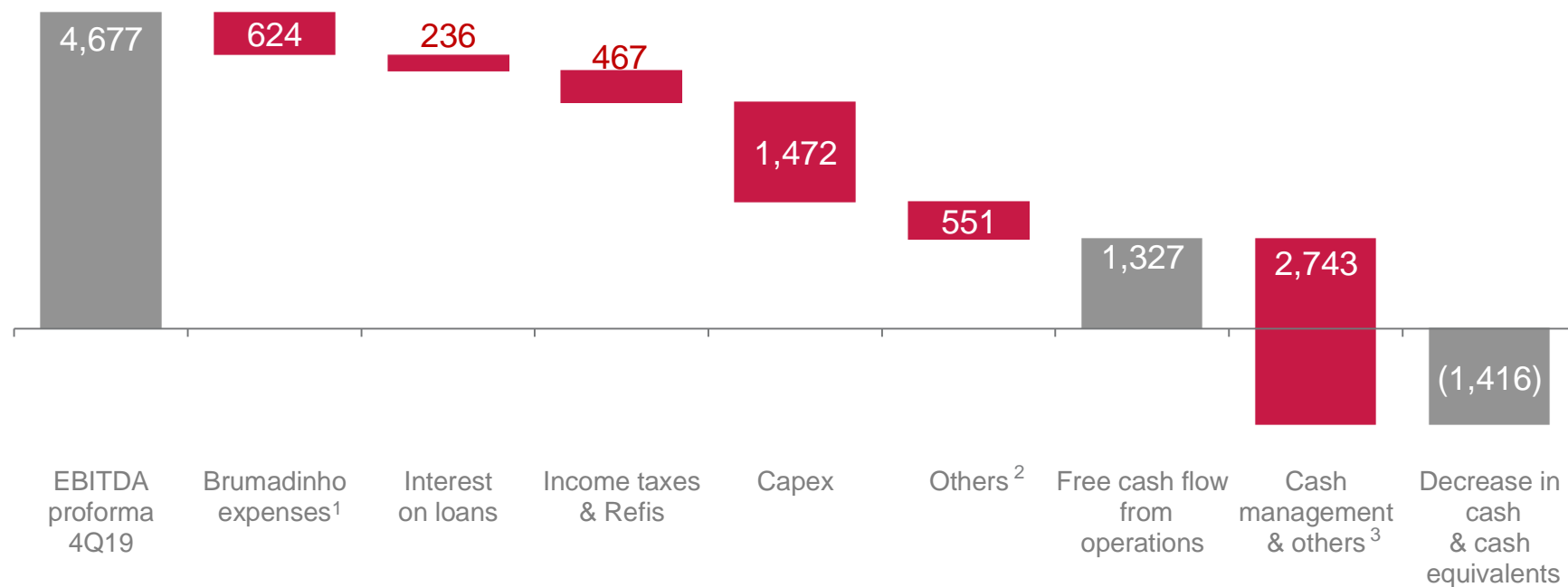
² Includes US\$ 921 million of interest paid on loans and US\$ 265 million of expenses of bonds repurchase

³ Includes US\$ 432 million of Ferrous, US\$ 496 million of New Steel and US\$ 812 million of MBR acquisitions

⁴ Includes US\$ 2,275 million of net debt repayments and US\$ 1,638 million restricted cash and judicial deposits

4Q19 Free cash flow was affected by Brumadinho related expenses and seasonally higher investments

US\$ million



¹ Includes US\$ 243 million of incurred expenses and US\$ 381 million disbursement of provisioned expenses.

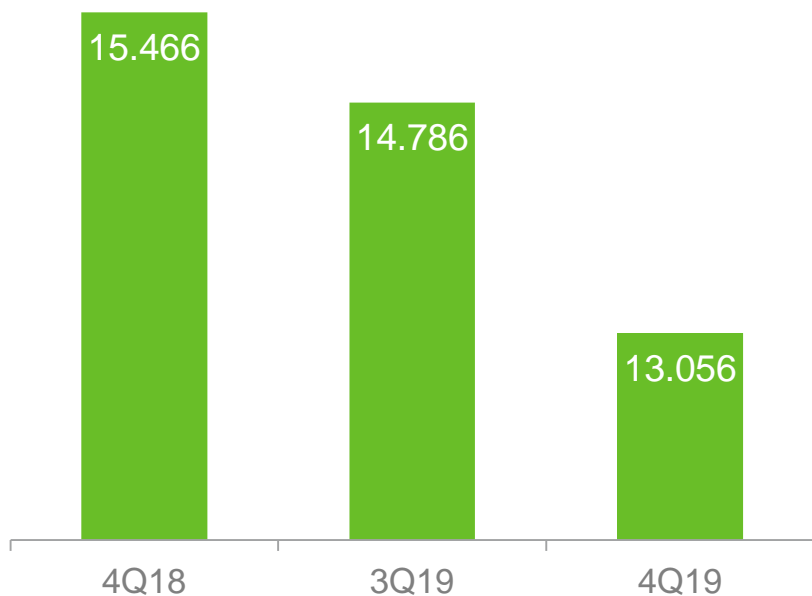
² Includes working capital, derivatives, Samarco, dividends and interest on capital paid to noncontrolling interest and others.

³ Includes US\$ 1.871 billion of net debt repayments, US\$ 812 million on minority stake of MBR and others

Gross debt decreased by US\$ 1.7 billion as a result of net debt repayment mostly related to the repurchase of bonds in 4Q19

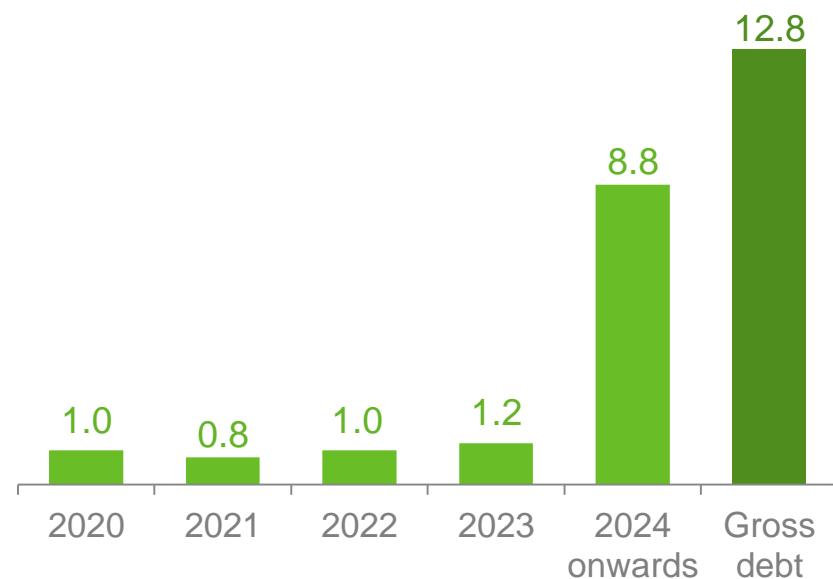
Gross debt

US\$ billion



Gross debt amortization schedule¹

US\$ billion



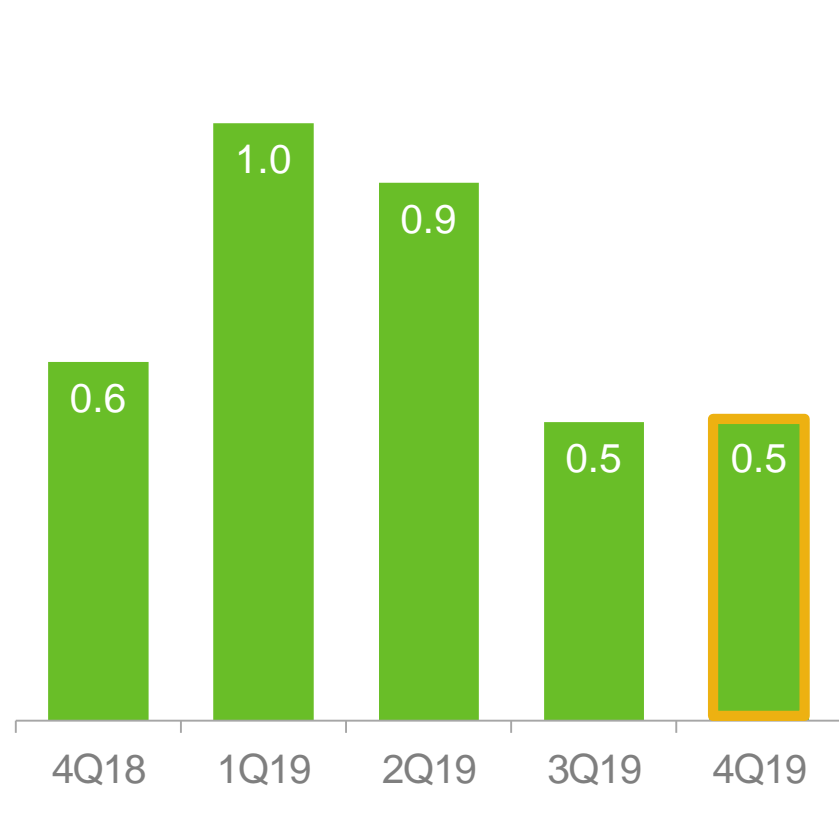
69% of debt maturity after 2024



¹ As of December 31th, 2019. Does not include accrued charges.

Net debt reached the lowest level since 2008 as a result of strong cash generation during the year...

Net debt / LTM¹ EBITDA Ratio




 Net debt in
 4Q19:
 US\$ 4.880 billion

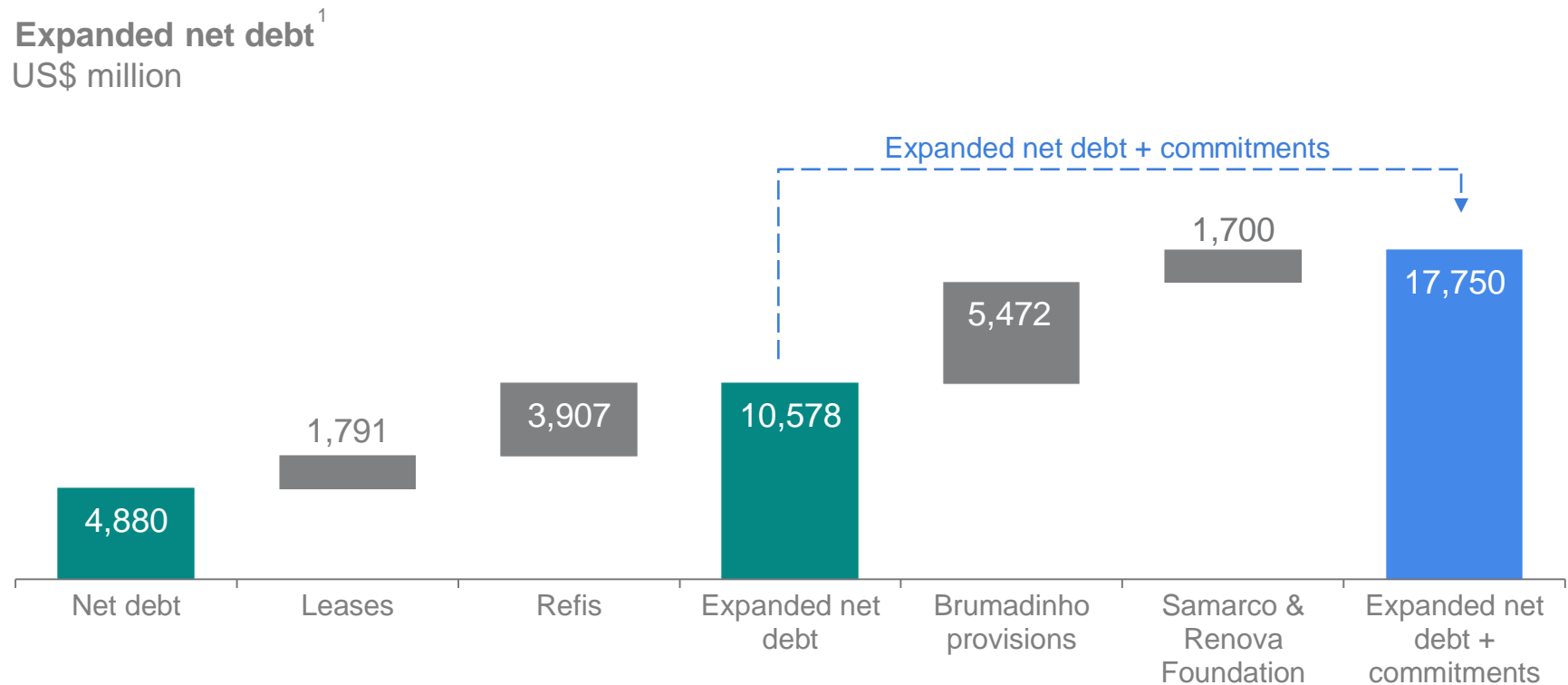

 LTM EBITDA /
 LTM gross
 interest: 10.7x


 Average
 maturity:
 8.5 years


 Average cost of
 debt:
 4.87% per annum

¹ LTM – last twelve months

... nevertheless, in a broader view and considering other relevant commitments, the total amount would be US\$ 17.8 billion



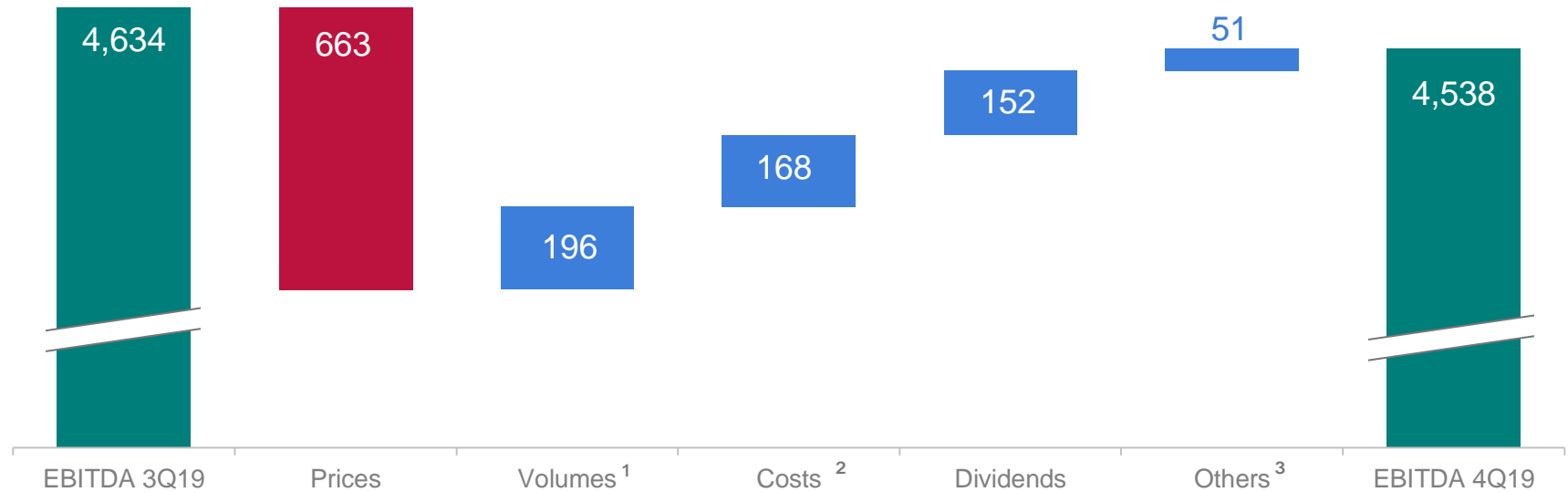
¹ As of December 31st, 2019



**Business segment
performance**

In 4Q19 Ferrous Minerals continued to deliver solid performance despite a meaningful decrease in prices

US\$ million

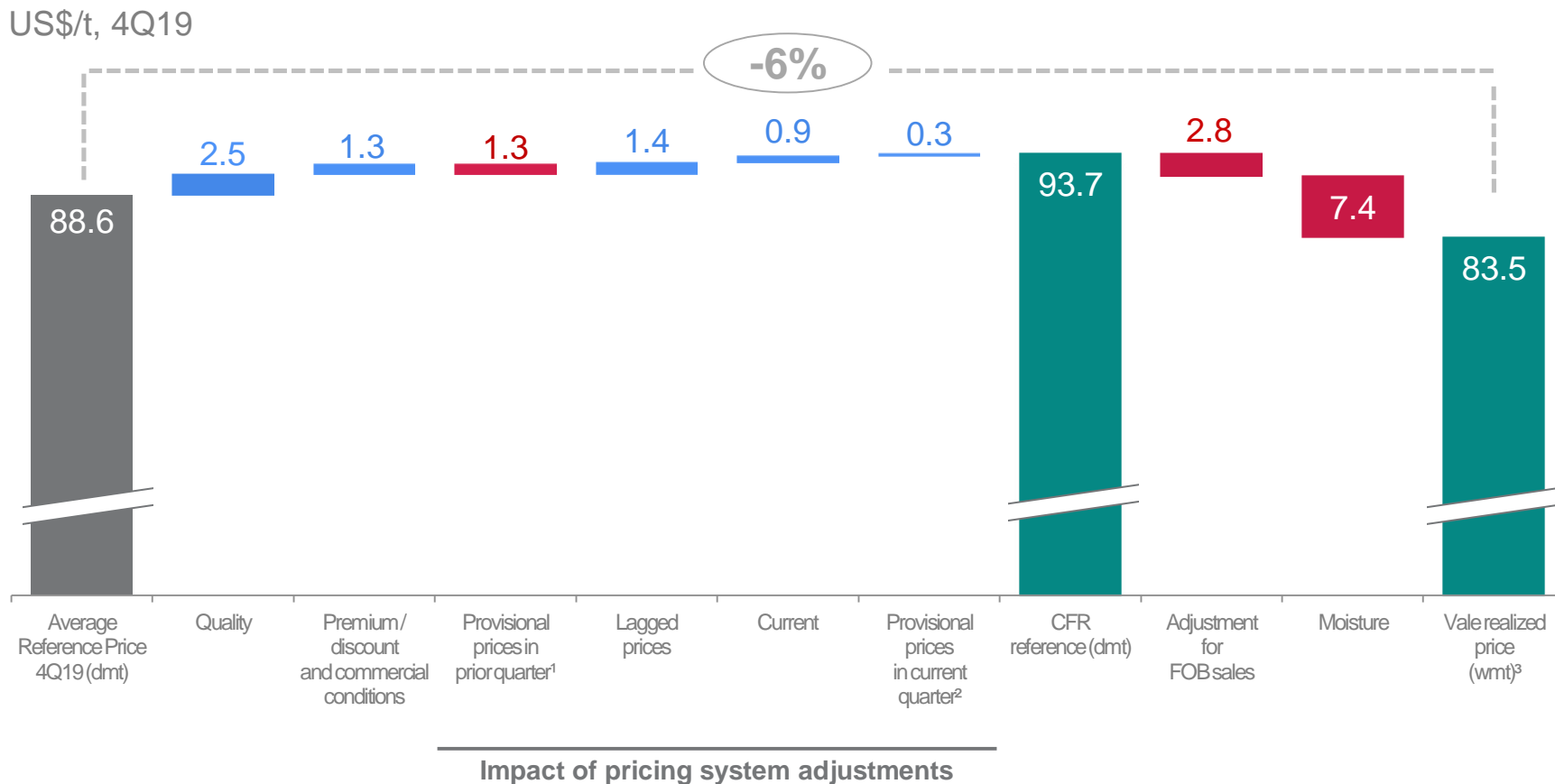


¹ Including resumption of halted operations related to Brumadinho event.

² Excluding volume and FX effect and freight costs.

³ Including FX effect (US\$ 44 million) and Brumadinho stoppage expenses (US\$ 25 million)

Despite the 13% drop in 62% Fe reference prices vs. 3Q19, Vale's realized prices decreased only 6% in 4Q19



¹ Adjustment as a result of provisional prices booked in 3Q19 at US\$ 91.8/t.

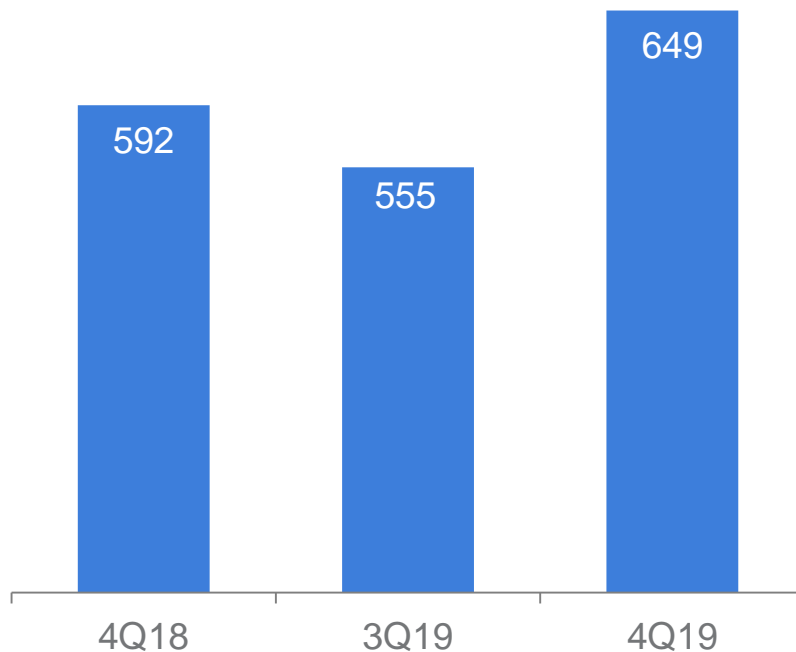
² Difference between the weighted average of the prices provisionally set at the end of 4Q19 at US\$ 90.3/t based on forward curves and US\$ 88.6/t from the 4Q19 62% Fe reference price.

³ Vale price is net of taxes.

Base Metals EBITDA increased as a result of higher realized prices and higher by-products volumes

Base Metals EBITDA

US\$ million



Highlights 4Q19

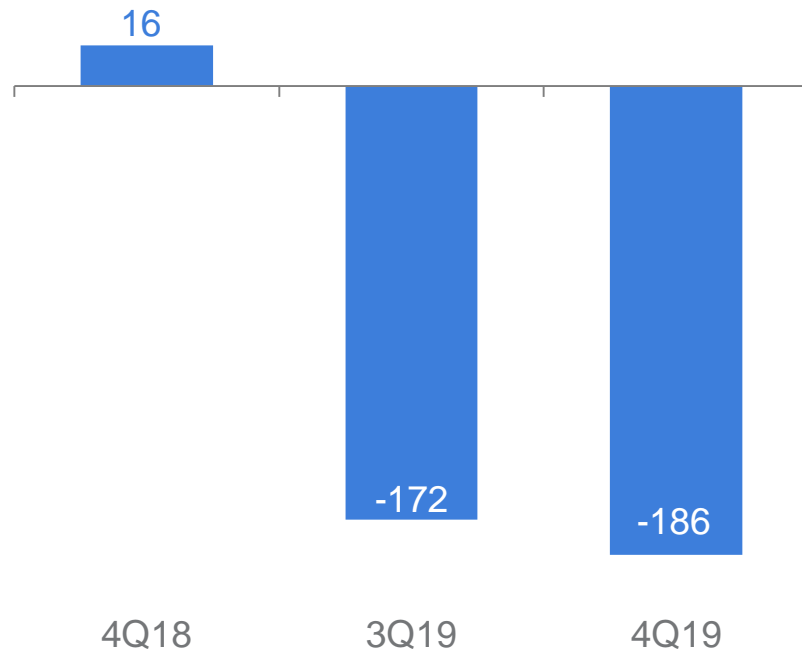
Nickel: Operations are **progressing towards higher reliability with production at the refineries going back to regular operating rates** after scheduled and unscheduled maintenance activities. Likewise, production at Onça Puma mine and plant was resumed after a judicial authorization granted in September.

Copper: The performance of copper operations was supported by Salobo's solid performance during the year, **reaching close to zero unit cash costs after by-products in 2H19**.

Coal EBITDA was mainly impacted by lower prices and volumes

Coal Adjusted EBITDA

US\$ million



Highlights 4Q19

Vale reviewed its business plan in 2019 and has been implementing two initiatives, which are expected to **produce sustainable results – a new mining plan and a new operational strategy for the processing plants.**

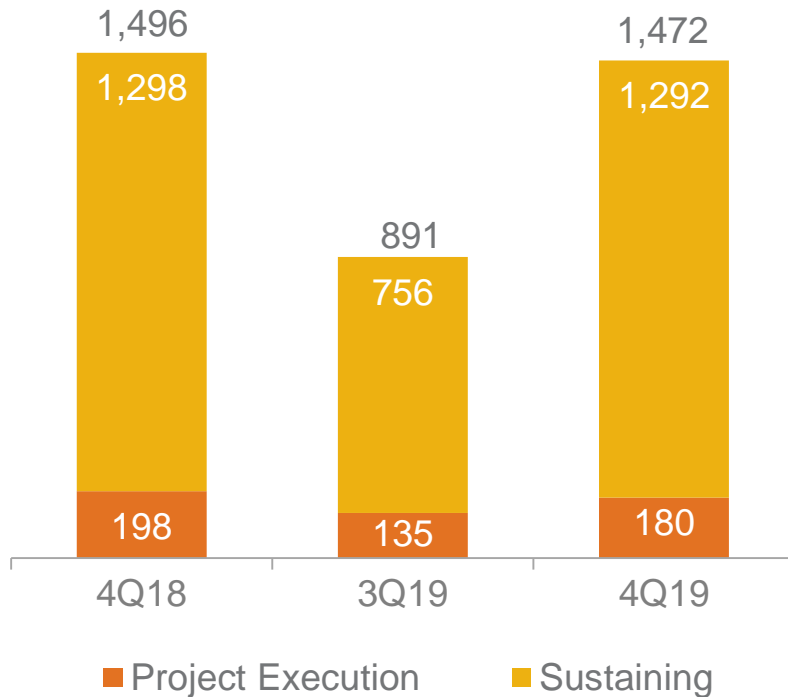
Once the new operational flowsheet is fully implemented in the beginning of 3Q20, Vale expects to resume the ramp-up, **achieving a 15 Mtpy run rate in 4Q20, with higher reliability and yield.**

Additional Information

Investments

Project execution and sustaining investments

US\$ million



Highlights 4Q19

Total investments of **US\$ 1,472 million** in 4Q19 and **US\$ 3,704 million in 2019**, in line with 2018.

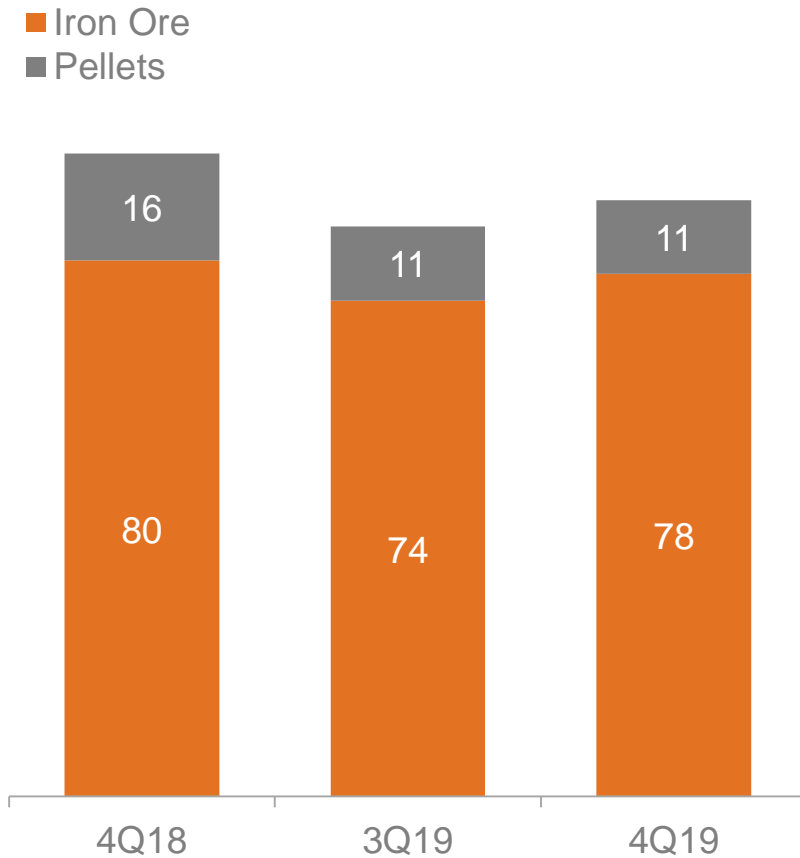
In 2019, investments in dams management reached US\$ 102 million, **an increase of 67% compared to 2018**.

Investments in Health & Safety reached US\$ 279 million in 2019, **an increase of 20% compared to 2018**.

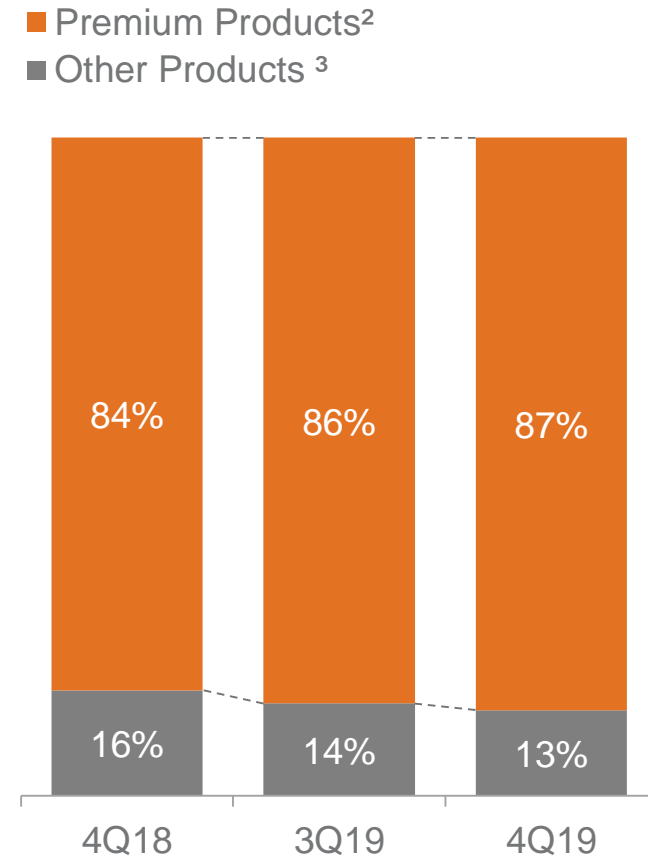
The Northern System Logistics 240 Mtpy project had the first license of installation granted in December 2019.

Iron ore and pellets sales volumes and sales mix composition

Iron ore¹ and pellets sales volumes (Mt)



Iron ore sales product mix (%)



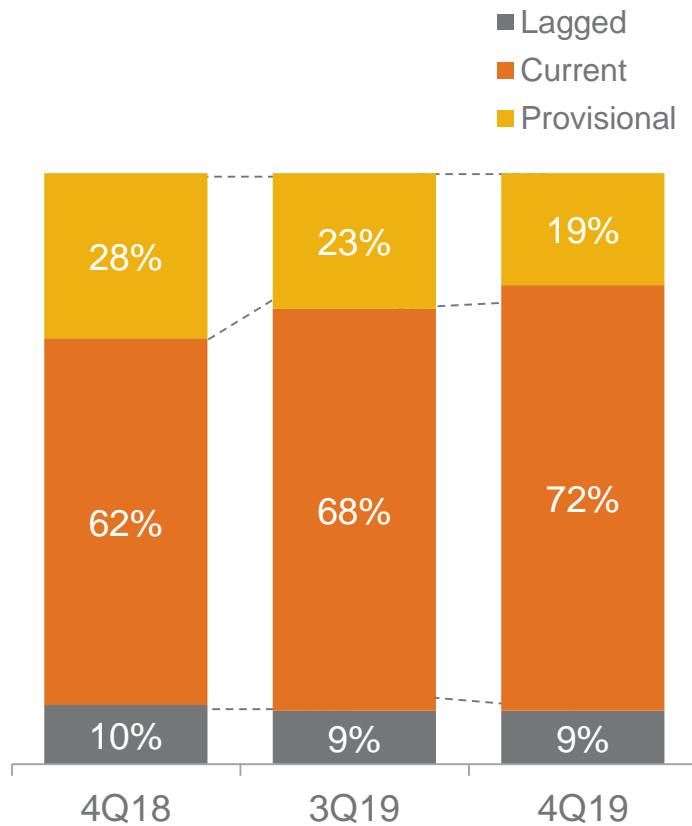
¹ Iron ore fines including ROM

² Composed by pellets, Carajás, Brazilian Blend Fines (BRBF), pellet feed and Sinter Feed Low Alumina (SFLA)

³ Composed by standard sinter feed, lump and high silica

Iron ore pricing systems

Pricing system breakdown (%)

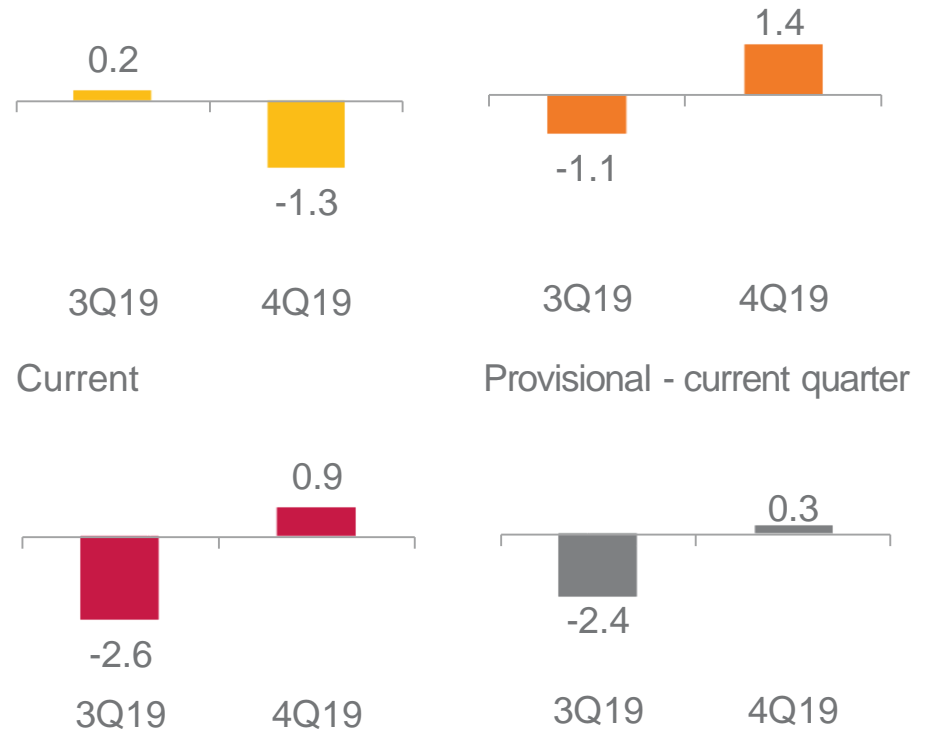


Impact of pricing mechanisms

US\$/t

Provisional – prior quarter

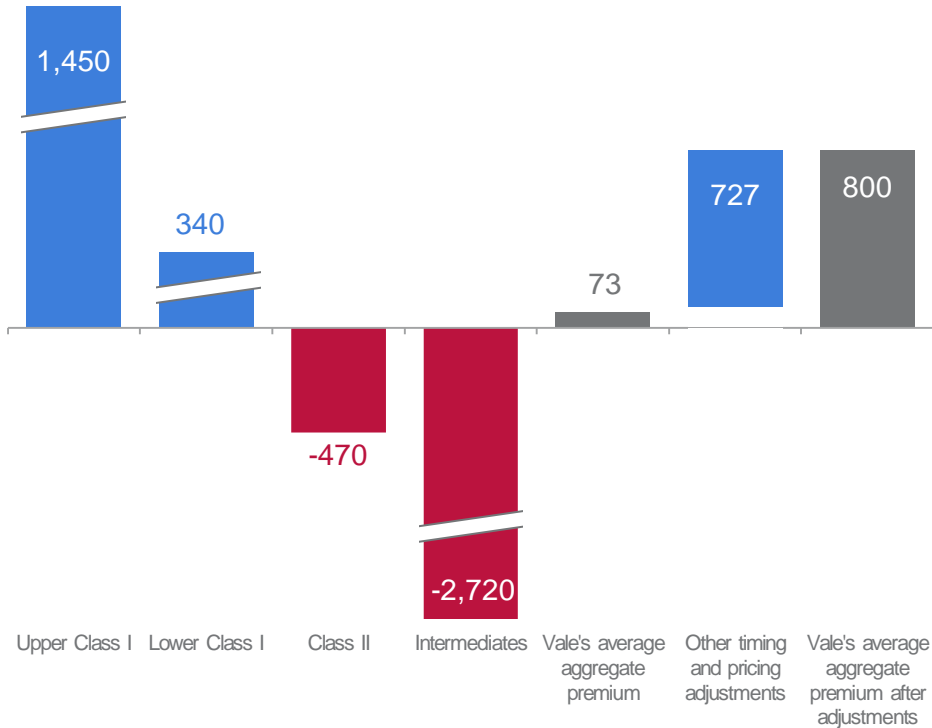
Lagged



Nickel premium/discount by product and sales product mix

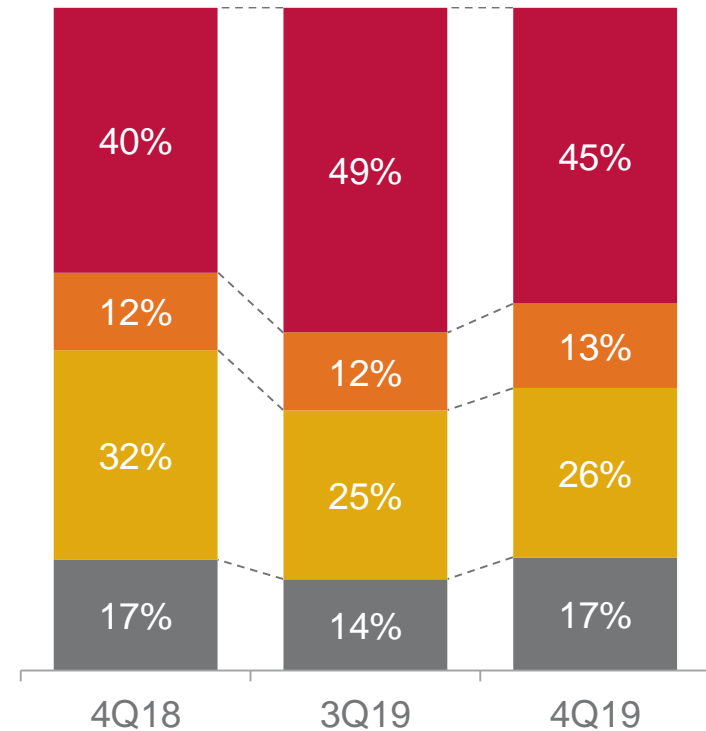
Nickel premium/discount by product and average aggregate premiums

US\$/t, 4Q19



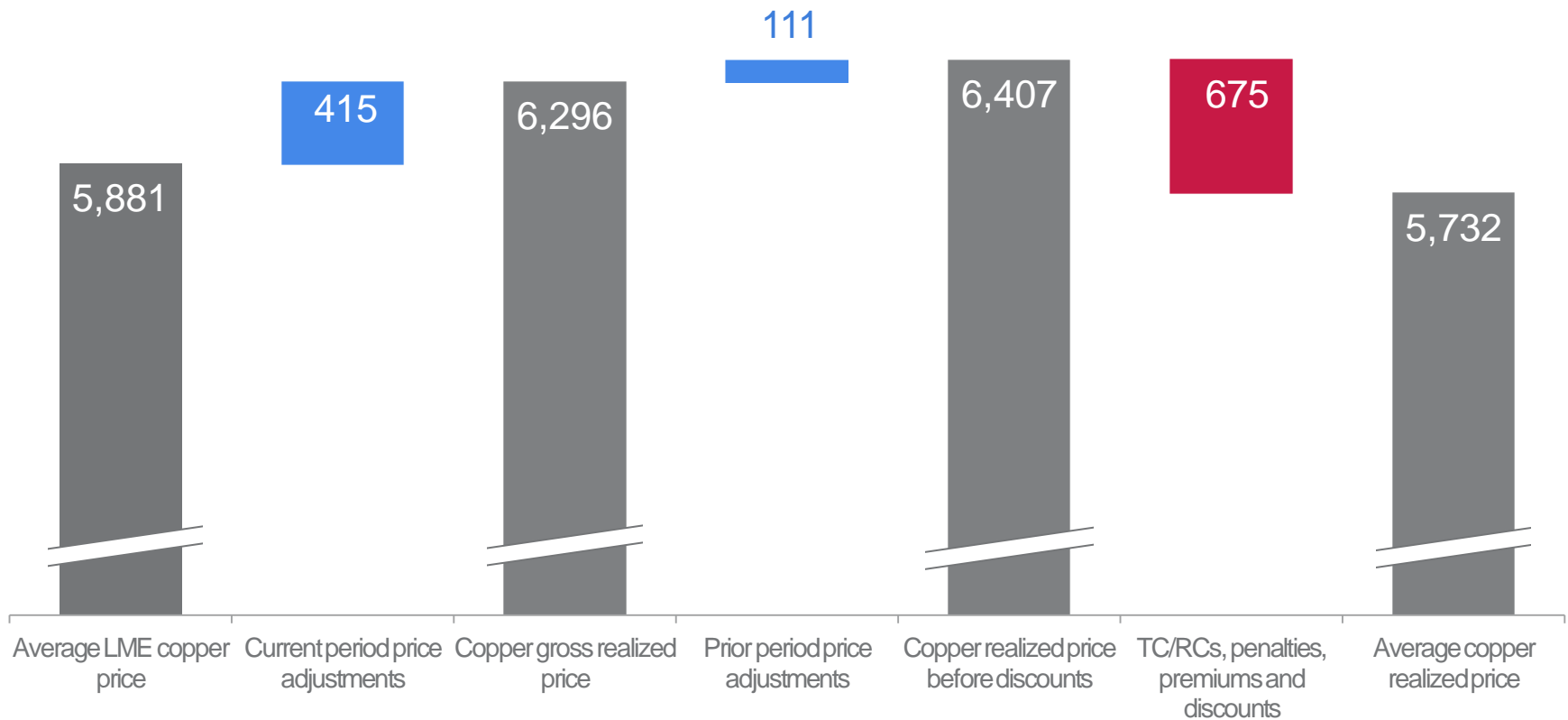
Nickel sales product mix (%)

- Upper Class I
- Lower Class I
- Class II
- Intermediates



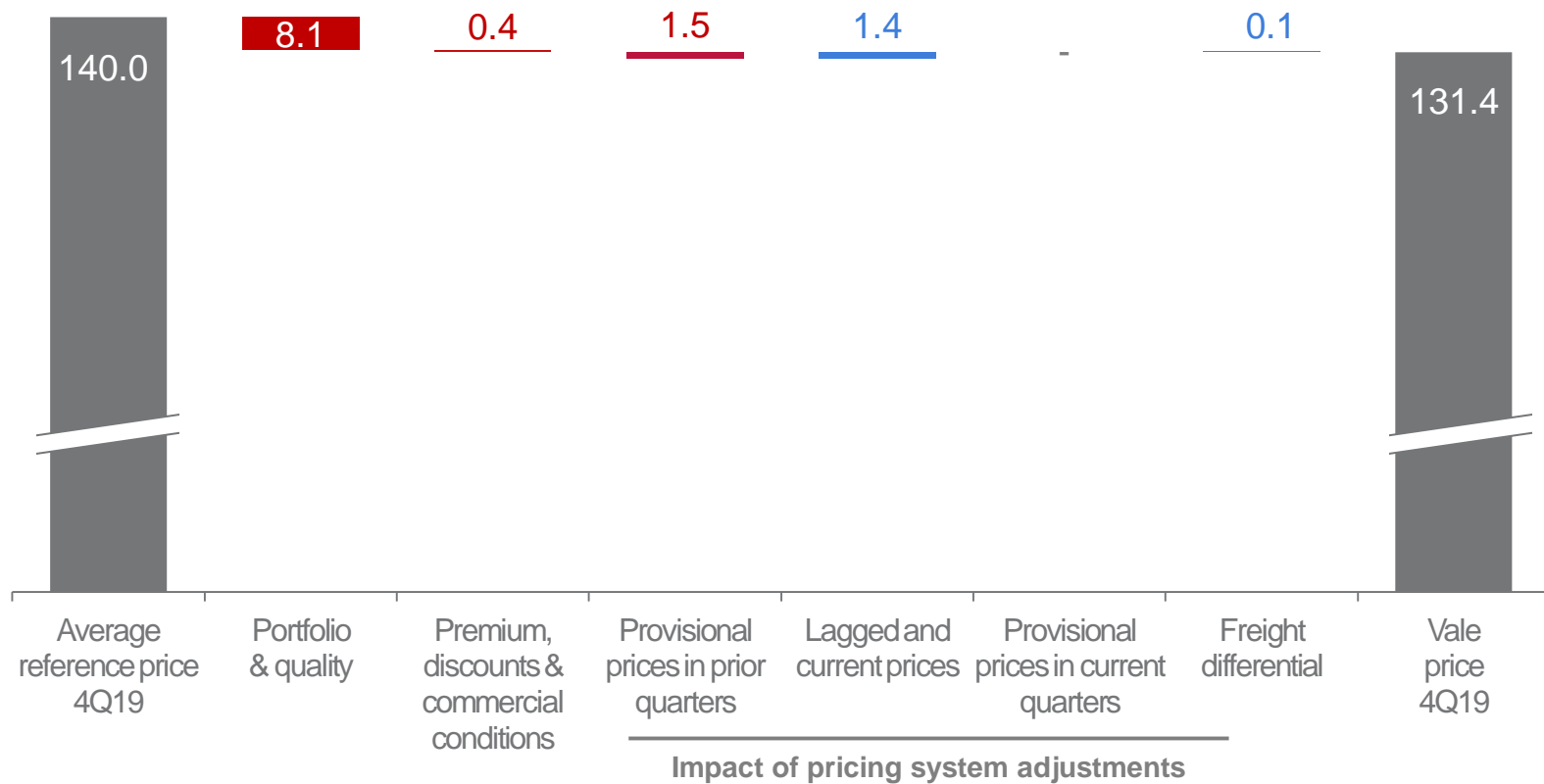
Price realization – copper operations

US\$/t, 4Q19



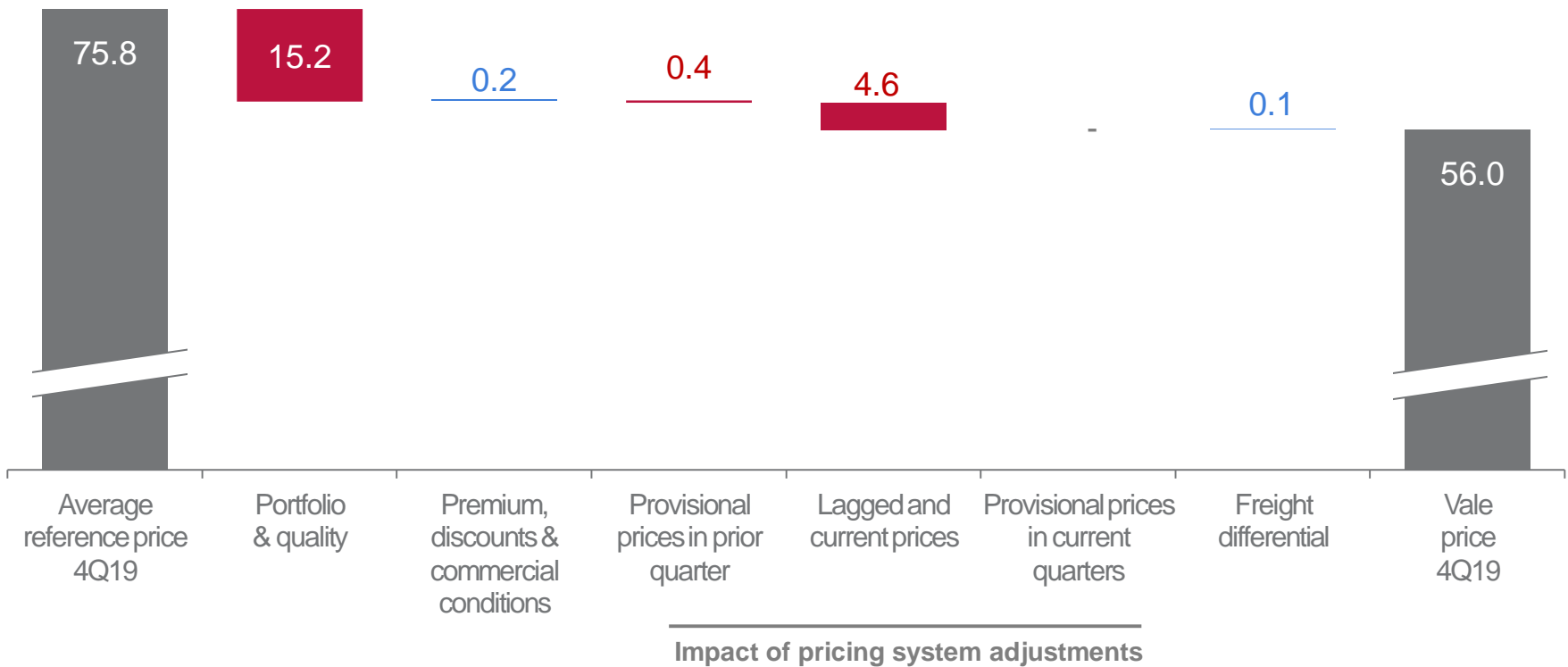
Price realization – metallurgical coal

US\$/t, 4Q19



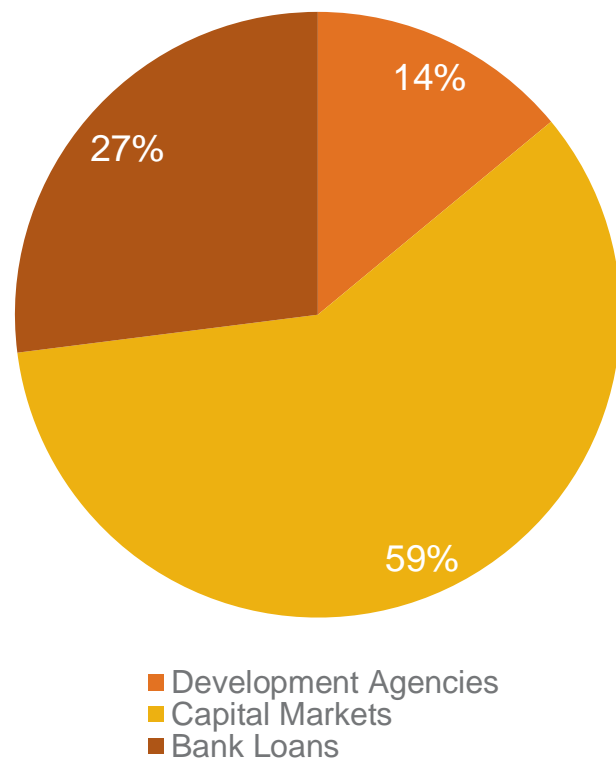
Price realization – thermal coal

US\$/t, 4Q19

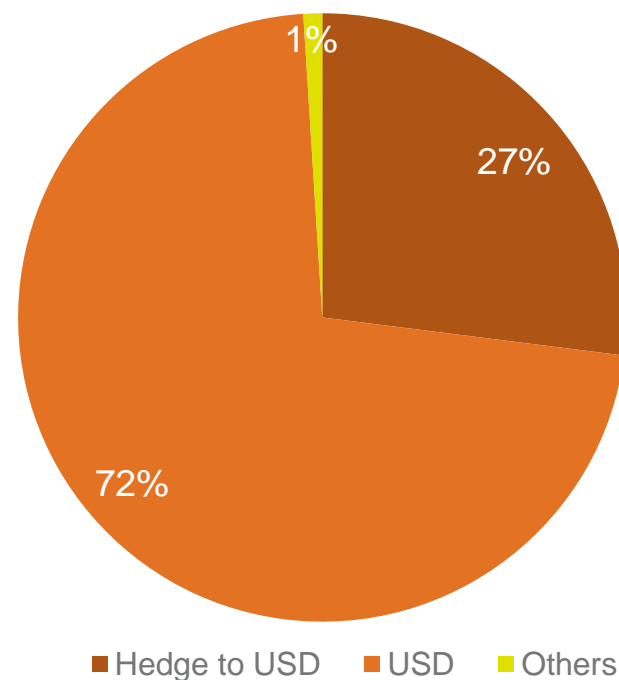


Debt position breakdown

Debt breakdown by instrument (%)



Debt breakdown by currency (after hedge) (%)





VALE