

**PROTOCOL AND JUSTIFICATION OF CONSOLIDATION OF
MINERAÇÃO VALE CORUMBÁ S.A. INTO VALE S.A.**

VALE S.A. (“Vale”), a public company with head offices in the City of Rio de Janeiro, State of Rio de Janeiro, at Av. Graça Aranha, number 26, enrolled with the Legal Entities Taxpayers Roll of the Ministry of Finance (CNPJ/MF) under the number 33.592.510/0001-54, with its articles of incorporation filed with the Commercial Registry of the State of Rio de Janeiro – JUCERJA, under the number 33.300.019.766, herein represented in the terms of its Bylaws; and

MINERAÇÃO VALE CORUMBÁ S.A. (“Vale Corumbá”), a private company with head offices in the City of Rio de Janeiro, State of Rio de Janeiro, at Av. Graça Aranha, number 26, 11° floor, enrolled with the Legal Entities Taxpayers Roll of the Ministry of Finance (CNPJ/MF) under the number 34.167.684/0001-32, with its articles of incorporation filed with the Commercial Registry of the State of Rio de Janeiro – JUCERJA, under the number 33.207.483.971, herein represented in the terms of its Bylaws and, jointly with Vale (“COMPANIES”),

the COMPANIES have agreed upon signing this **PROTOCOL AND JUSTIFICATION OF CONSOLIDATION OF VALE CORUMBÁ INTO VALE** (“Protocol”) which consolidates the conditions agreed by the administrators of the COMPANIES, based on Articles 224 and 225 of Law 6,404, of December 15, 1976 (“Brazilian Corporate Law”), related to the consolidation of Vale Corumbá into Vale, as well as any other further applicable legal dispositions, as per the terms and conditions set out below:

1. Vale is a public company, being the world’s largest producer of iron ore and pellets and one of the largest producers of nickel. It is an important global producer of copper, bauxite, alumina, aluminum, cobalt, coal and manganese among other raw materials important to the global industrial sector. Vale is also the largest logistics player in Brazil.
2. Vale Corumbá is a private company, which has as its main purposes (i) the investigation and research of minerals and ores, exploration, exploitation

and management of mineral deposits, obtaining of research licenses, concessions for mining of all species of ores and minerals in the terms of the applicable legislation, purchase and lease of lands, equipments and facilities, including rights and interests in the underground; (ii) the purchase, sale, beneficiation, processing, refinement, industrialization, importation and exportation, commercialization and railway, highway and/or maritime transport of ores, minerals and metals of any species, on its behalf or for third parties; (iii) the purchase and sale of all and any manufactured products, machinery and equipments related to the above mentioned activities.

3. Vale Corumbá is the holding of four companies that hold mining rights in border areas: (i) Mineração Corumbaense Reunida S.A., a private company, enrolled with the Legal Entities Taxpayers Roll of the Ministry of Finance (CNPJ/MF) under the number 03.327.988/0001-96; (ii) Mineração Dobrados S.A. Indústria e Comércio, a private company, enrolled with the Legal Entities Taxpayers Roll of the Ministry of Finance (CNPJ/MF) under the number 44.075.877/0001-17; (iii) Mineração Ocirema Indústria e Comércio Ltda., a limited liability entity, enrolled with the Legal Entities Taxpayers Roll of the Ministry of Finance (CNPJ/MF) under the number 46.544.144/0001-00; and (iv) Mineração Manati Ltda., a limited liability entity, enrolled with the Legal Entities Taxpayers Roll of the Ministry of Finance (CNPJ/MF) under the number 30.670.848/0001-99, all companies with its head offices in the City of Corumbá, State of Mato Grosso do Sul, at Morro do Urucum Highway.

4. Whereas Vale Corumbá is a wholly-owned subsidiary of Vale and there are synergies between the COMPANIES, the consolidation of Vale Corumbá into Vale is justified as it allows for simplification of the corporate structure as well as optimization of resources and costs.

5. The share capital of Vale Corumbá is R\$327.603.679,00 (three hundred and twenty-seven million, six hundred and three thousand, six hundred and seventy-nine reais), divided in 327.603.679 (three hundred and twenty-seven

million, six hundred and three thousand, six hundred and seventy-nine) common shares, all nominative, with no par value, which are entirely held by Vale, free of any liens or encumbrances.

6. Vale Corumbá's assets shall be transferred to Vale at the respective book value as the assets and liabilities are valued according to the general accepted accounting principles. This is justified by the fact that, as Vale Corumbá is a wholly-owned subsidiary of Vale, its net assets are already the exclusive property of Vale and are represented by the shares of Vale Corumbá. Once the universality of the 327.603.679 (three hundred and twenty-seven million, six hundred and three thousand, six hundred and seventy-nine) common shares issued by Vale Corumbá and held by Vale are cancelled, as a result of the consolidation of Vale Corumbá into Vale, the value of these shares in Vale's accounting books shall be replaced by the value of Vale Corumbá's assets, without any alteration to the book entered value.

7. The value of Vale Corumbá's net assets to be transferred to Vale shall be ascertained by a specialist company, pursuant to article 8 of the Brazilian Corporate Law, with such company being nominated at the Extraordinary General Shareholders' Meeting of Vale at which the present proposal is to be analyzed, with such company composing the appraisal report, as established in paragraph 1, article 227 of the Brazilian Corporate Law, with such valuation being made using the book value, based upon the balance sheet of Vale Corumbá as prepared on October 31, 2009, with observance of the accounting criteria established in articles 183 and 184 of the Brazilian Corporate Law to the valuation of assets and liabilities elements, in the rules of Brazilian's Securities and Exchange Commission, considering that Vale adopts the same criteria.

8. Changes to the value of the assets taking place between October 31, 2009 and the effective date of the consolidation of Vale Corumbá into Vale shall be registered in Vale Corumbá, considering the balance which must be

elaborated to instruct a declaration of appropriated to be filed with respect to the extinguishment of Vale Corumbá by its consolidation into Vale, reflecting in Vale by the mechanism of assets equivalency, without affecting the appraisal report mentioned on the former item.

9. Given that Vale holds all the shares composing Vale Corumbá's share capital, which shall be cancelled by the intended consolidation, there shall be no share issuance of Vale's capital, which shall remain unchanged. Consequently, no amendments will be made to the By-Laws of Vale.

10. As a result of the above, Vale Corumbá and Vale will each hold Extraordinary General Shareholders' meetings to formalize the provisions of the present instrument, pursuant to article 227 of the Brazilian Corporate Law, and Vale shall be responsible for filing the minutes of the consolidation at the appropriate registration entities, to which have already been given the previous permission by the Board of National Defense (Conselho de Defesa Nacional), through the Acts under the number 181 (of Mineração Corumbaense Reunida S.A.), 182 (of Mineração Manati Ltda.), 185 (of Mineração Ocirema Indústria e Comércio Ltda.), and (of Mineração Dobrados S.A. Indústria e Comércio), all dated from August 31, 2009, published at the Official Gazette in September 1st, 2009, and republished in September 11, 2009.

11. Under the terms of the Brazilian Corporate Law, Vale shall unconditionally assume the entire assets, rights and liabilities of Vale Corumbá, be they legal or conventional.

In light of the above, the consolidation of Vale Corumbá into Vale is in the best interests of its shareholders.

Rio de Janeiro, December 17, 2009.

MINERAÇÃO VALE CORUMBÁ S.A.

VALE S.A.