

Vale to develop a copper project in Zambia

Rio de Janeiro, August 27, 2010 – Vale S. A. (Vale) announces that its strategic 50:50 joint venture with African Rainbow Minerals Limited (ARM), a company listed on the Johannesburg Stock Exchange, will release the development of the Konkola North copper project in Zambia.

The project has an estimated capital expenditure of approximately US\$ 400 million, and is expected to start up production in 2013 and to reach full capacity in 2015. Konkola North estimated nominal capacity is 45,000 metric tons per year of copper in concentrate, which will be toll smelted in Zambia.

The expected mine life is 28 years, including a three-year exploration program to evaluate area A, which has the potential to increase output to 100,000 metric tons per year of copper in concentrate from 2020 onwards. Initially, the South and East Limb mines will be developed, after which the deeper, higher grade and wider reef areas will be mined.

Our investment in Konkola North, located in the wealthy Zambian Copper Belt, will be leveraged by Vale's extensive track record in developing successful large-scale mining projects in tropical environments. The project development is consistent with our goal to become one of the largest copper producers in the world and it is expected to create significant shareholder value.

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