



NEWS RELEASE

For Immediate Release

Vale and Xstrata Announce Agreement to Extend Fraser Mine

May 9, 2011 – Xstrata Nickel and Vale have announced a partnership to extend Xstrata's Fraser Mine, north of the City of Greater Sudbury.

“This is a great example of Sudbury's two major mining companies coming together given current robust copper demand. This ultimately benefits both organizations, employees and the community at large,” said Marc Boissonneault, Vice President of Xstrata Nickel's Sudbury Operations.

Under the terms of the Agreement, Xstrata Nickel will utilize its existing shaft infrastructure at Fraser Mine in Levack to mine mostly copper ore from a deposit of Vale ore bodies that are currently only directly accessible from Xstrata Nickel's Fraser Mine head frame and supporting infrastructure. The project is expected to have a 10-year life and will result in the permanent recall of 75 production and maintenance workers back to Xstrata.

Additionally, production at Vale's Coleman Mine will be enhanced through the supply of increased fresh air ventilation from Xstrata. This will provide an immediate benefit of improved working conditions, and enable enhanced production and potential employment opportunities at Coleman's 170 Ore Body mining project set to begin production in 2012.

“This Agreement generates significant benefits to both Companies and to the community as a whole by unlocking a resource that would not otherwise be productive”, said Jon Treen, General Manager of Vale's Ontario Operations. “It will lead to significant value generation and operational benefits for both companies for years to come.”

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