CARAÍBA METAIS S.A.

PARANAPANEMA

CARAÍBA METAIS S.A.
NATIONAL CORPORATE TAXPAYERS REGISTER OF THE MINISTRY OF FINANCE (CNPJ/MF) No. 15.224.488/0001-08
STATE REGISTRATION NUMBER (NIRE) 29.300.002.186
CRBM3; CRBM5; CRBM7

NOTICE TO THE MARKET

Dias D'Ávila, October 8, 2009. In compliance with OFFICIAL LETTER/BM&FBOVESPA/GAE/CREM/No. 2244/09, dated October 8, 2009, transcribed as follows, ("Official Letter"), Caraíba Metais S.A. ("Company") publicly announces the following:

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GAE/CREM 2244/09
October 8, 2009

CARAÍBA METAIS S.A.
Mrs. Doris Beatriz França Wilhelm
Investor Relations Officer

Dear Madam,

Considering the terms of the Material Fact dated October 7, 2009, covering the proposal of merger of Caraíba Metais into Paranapanema S.A., we hereby request, for the purpose of clarification to the market, that you provide the following information in connection with the right to withdrawal as provided for in article 137 of Law No. 6.404/76, as amended.

- *Which shareholders will be entitled to pronounce themselves, that is, the shareholders entered on which date in this company's registrations will be entitled to dissent from the resolutions of the Shareholders' Meeting called for the approval/ratification of said transaction;*
- *The amount of reimbursement in R$ per share; and*
- *The term and procedures that the dissenting shareholders shall adopt in order to pronounce themselves.*

Very truly yours,

(original signed by)
Jorge Antonio Tambucci
Coordenadoria de Relações com Empresas (Coordination Office for Company Relations)
BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros (Stock Exchange, Commodity Futures Exchange)

c.c. CVM – Comissão de Valores Mobiliários (Securities Commission)
Mrs. Elizabeth Lopes Rios Machado - Superintendência de Relações com Empresas (Superintendence for Company Relations)
Mr. Waldir de Jesus Nobre - Superintendência de Relações com o Mercado e Intermediários (Superintendence for Relations with the Market and Brokers)

We would like to clarify that the answer from this company must be sent exclusively through the IPE System, by selecting the category: Notice to the Market and, afterwards, by selecting the Type: Clarifications to questions from CVM/Bovespa, which will result in the simultaneous transmission of the file to Bovespa and CVM.

For a better understanding of the market, the questions asked above must be transcribed before the answer from this company.

CARAÍBA METAIS S.A.

PARANAPANEMA

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Dear Sirs,

With regard to the Official Letter, the Company clarifies the following:

On October 7, 2009, the Executive Board of the Company's controller submitted to the Board of Directors of the controller proposals for studies of corporate restructuring within the scope of the Company's controlling group.

Among the study proposals, it was concluded and resolved that the Executive Board of the Company's controller would be authorized to proceed with studies involving the merger of the Company into its controller.

Please note that there was no decision or authorization for the final completion of such merger, but rather solely the authorization for the conduction of studies and for the timely submission of said studies to the Board of Directors of the Company's controller and to the Board of Directors of the Company itself for resolution and, in the event of approval, for submission to the respective shareholders' meetings.

Therefore, if and when the transaction is approved and recommended by the management bodies of both companies undersigning the Material Fact dated October 7, 2009, the management bodies of both companies will publish the Material Fact pursuant to CVM Ruling No. 319/99, thereby submitting the details of the results of the studies in progress, including the details of the corporate transaction as approved by the management bodies, jointly with the supporting documents (reports, studies, protocols and justifications).

Should the studies be used for the purpose of approval of the transaction being analyzed and, additionally, should they conclude in favor of the relevance of the completion of the transaction, the contemplated details will encompass the disclosure of the details of the procedures to be followed at shareholders' meetings, including details with respect to the right to withdrawal, the corresponding term and amount of reimbursement, which is one of the subject matters of the studies in progress.

However, for the purpose of exercising the right set forth in article 137, paragraph 1 of Law 6.404/76, only the shareholders entered in the Company's registrations until October 7, 2009, inclusive, shall be entitled to the right to withdrawal.

Doris Beatriz França Wilhelm
Investor Relations Officer