



Press Release

Vale on Southern System operations

Rio de Janeiro, February 20th, 2019 – Vale S.A. (“Vale”) informs that the [regional office of the National Mining Agency \(“ANM”\)](#) determined in a preventive manner and as a means ~~of complying to comply~~ with the Resolution 70.389/2017, the immediate suspension of activities at the Fábrica and Vargem Grande complexes, [in order to avoid potential problems triggering failures by liquefaction in the Forquilha I, Forquilha II, Forquilha III, Grupo and Vargem Grande dams.](#)

[Vale informs that it has complied immediately with the decision, however it will appeal to the ANM collegiate to allow for mechanical dismantling by tractor and for resuming its concentration and pelletizing plants operations, which will lead to limited impacts on production volumes, whose values will be reported as soon as estimated.](#)

[It should be noted that the interruption of blasting operations and the introduction of mechanical dismantling by tractor in the nearby mines were already part of the decommissioning plans of the upstream dams and will thus be anticipated.](#)

[with impacts in the following operations: \(i\) Sapecado, Galinheiro, Segredo and João Pereira, in the Itabiritos complex; and, \(ii\) Capitão do Mato, Tamanduá and Abóboras, in the Vargem Grande complex.](#)

[The suspension will remain in place until new Stability Condition Reports for the Forquilha I, Forquilha II, Forquilha III, Grupo and Vargem Grande dams are re-submitted.](#)

[The impact will be of up to 26 Mt in 2019, in addition to: \(i\) 3 Mt of Fábrica, informed in the press release “Vale updates on the continuity of the decommissioning process of upstream dams,” published today before the opening of markets; \(ii\) 13 Mt of Vargem Grande, informed in the press release “Vale announces decision to temporarily halt operations of the Vargem Grande Complex,” published on February 4th, 2019; \(iii\) 8.5 Mt of Feijão, reported in the press release “Vale updates information on the dam breach in Brumadinho,” published on January 27th, 2019.](#)

[As a result of the suspension of production of these operations, Vale is making an amendment to the declaration of force majeure in a series of contracts for sale of iron ore and related pellets, announced in the press release to the market “Vale informs on developments of Brucutu production halting” of February 5th, 2019.](#)

[Vale is immediately complying with the decision and will analyze the content of ANM's order to adopt the appropriate measures.](#)

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