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Company Data / Capital Ownership

Number of Shares (thousand)	Current Quarter June 30, 2020
Paid-In Capital	
Common Shares	122,171
Preferred shares	225,863
Total	348,034
Treasury Shares	
Common Shares	0
Preferred shares	0
Total	0

Company Data / Cash Proceeds

Event	Approval	Proceeds	Payment Started on	Type of Share	Class of Share	Earnings per Share (BRL/Share)
Board of Directors' Meeting of Shareholders' Equity Management	December 20, 2019	Interest on	August 20, 2020	Common Shares		0.72661
Board of Directors' Meeting of Shareholders' Equity Management	December 20, 2019	Interest on	August 20, 2020	Preferred Shares		0.79928

Individual Financial Statements / Statement of Financial Position - Assets**(R\$ thousand)**

Code of the Account	Description	Current Quarter June 30, 2020	Previous Fiscal Year December 31, 2019
1	Total Assets	11,481,506	10,106,102
1.01	Current Assets	548,295	552,873
1.01.01	Cash and cash equivalents	194,833	199,535
1.01.03	Accounts Receivable	353,338	353,338
1.01.03.02	Other Accounts Receivable	353,338	353,338
1.01.03.02.01	Interest on Shareholders' Equity to Receive	353,338	353,338
1.01.07	Prepaid Expenses	124	0
1.02	Non-Current Assets	10,933,211	9,553,229
1.02.01	Long-term receivables	172,961	206,740
1.02.01.10	Other Non-Current Assets	172,961	206,740
1.02.01.10.03	Court Deposits	7,902	7,805
1.02.01.10.04	Recoverable Taxes	165,059	198,935
1.02.02	Investments	10,759,291	9,345,417
1.02.03	Property, Plant & Equipment	92	105
1.02.04	Intangible Assets	867	967

Individual Financial Statements / Statement of Financial Position – Liabilities**(R\$ thousands)**

Code of the Account	Description	Current Quarter June 30, 2020	Previous Fiscal Year December 31, 2019
2	Total Liabilities	11,481,506	10,106,102
2.01	Current Liabilities	503,848	314,389
2.01.03	Tax Obligations	118	38,589
2.01.04	Loans and financings	227,155	0
2.01.04.02	Debentures	227,155	0
2.01.05	Other Obligations	276,575	275,800
2.01.05.02	Others	276,575	275,800
2.01.05.02.01	Dividends and Interest on Shareholders' Equity Payable	247,978	246,886
2.01.05.02.04	Other Obligations	28,530	28,848
2.01.05.02.05	Provision Payable on Lease Agreements	67	66
2.02	Non-Current Liabilities	7,836	230,858
2.02.01	Loans and financings	0	223,017
2.02.01.02	Debentures	0	223,017
2.02.02	Other Obligations	857	940
2.02.02.02	Others	857	940
2.02.02.02.03	Provision Payable on Lease Agreements	857	940
2.02.04	Provisions	6,979	6,901
2.03	Shareholders' Equity	10,969,822	9,560,855
2.03.01	Share capital	4,100,000	4,100,000
2.03.04	Profit reserve	2,106,573	2,106,573
2.03.04.01	Legal Reserve	227,610	227,610
2.03.04.02	Statutory Reserve	1,878,963	1,878,963
2.03.05	Accumulated Profit / Loss	344,566	0
2.03.06	Equity valuation adjustments	4,418,683	3,354,282

Individual Financial Statements / Statement of Income**(R\$ thousands)**

Code of the Account	Description	Current Quarter April 1, 2020 to June 30, 2020	Accumulated in the Current Fiscal Year January 1, 2020 to June 30, 2020	Same Quarter Previous Fiscal Year April 1, 2019 to June 30, 2019	Accumulated in the Previous Fiscal Year January 1, 2019 to June 30, 2019
3.04	Operating Income/Expenses	289,879	341,929	-25,405	-385,727
3.04.02	General and administrative expenses	-4,234	-7,226	-3,701	-6,376
3.04.05	Other operational expenses	-127	-317	-313	-803
3.04.05.01	Tax Expenses	-127	-317	-313	-765
3.04.05.02	Other operational expenses	0	0	0	-38
3.04.06	Equity Income	294,240	349,472	-21,391	-378,548
3.05	Income before Earnings and Taxes	289,879	341,929	-25,405	-385,727
3.06	Financial Result	931	2,637	3,152	9,212
3.06.01	Financial Revenues	2,726	6,854	6,647	16,346
3.06.02	Financial Expenses	-1,795	-4,217	-3,495	-7,134
3.07	Earnings before Income Taxes	290,810	344,566	-22,253	-376,515
3.08	Income Tax and Social Contribution	0	0	701	-128
3.09	Net Income from Continuing Operations	290,810	344,566	-21,552	-376,643
3.11	Income/Loss for the Period	290,810	344,566	-21,552	-376,643
3.99	Earnings per Share (BRL/Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common Shares	0.78466	0.92970	-0.05815	-1.01625
3.99.01.02	Preferred Shares	0.86312	1.02267	-0.06397	-1.11788
3.99.02	Diluted Earnings per Share				
3.99.02.01	Common Shares	0.78466	0.92970	-0.05815	-1.01625
3.99.02.02	Preferred Shares	0.86312	1.02267	-0.06397	-1.11788

Individual Financial Statements / Statement of Comprehensive Income**(R\$ thousands)**

Code of the Account	Description	Current Quarter April 1, 2020 to June 30, 2020	Accumulated in the Current Fiscal Year January 1, 2020 to June 30, 2020	Same Quarter Previous Fiscal Year April 1, 2019 to June 30, 2019	Accumulated in the Previous Fiscal Year January 1, 2019 to June 30, 2019
4.01	Net income for the period	290,810	344,566	-21,552	-376,643
4.02	Other Comprehensive Income	156,658	1,064,401	-87,228	-30,136
4.02.02	Impacts from Companies with Significant Influence	156,658	1,064,401	-87,228	-30,136
4.03	Comprehensive Income for the Period	447,468	1,408,967	-108,780	-406,779

Individual Financial Statements / Statement of Cash Flow - Indirect Method**(R\$ thousands)**

Code of the Account	Description	Accumulated in the Current Fiscal Year January 1, 2020 to June 30, 2020	Accumulated in the Fiscal Year Previous January 1, 2019 to June 30, 2019
6.01	Operating Activities Net Cash	-4,671	107,413
6.01.01	Cash from Operations	-4,141	3,362
6.01.01.01	Income before Income Tax and Social Contribution Tax	344,566	-376,515
6.01.01.02	Equity Income	-349,472	378,548
6.01.01.04	Monetary Variations and Interest, Net	799	723
6.01.01.07	Others	-34	606
6.01.02	Changes in Assets and Liabilities	-530	104,051
6.01.02.01	(Increase)/Decrease in Other Assets	38,317	164,612
6.01.02.02	Increase/(Decrease) in Other Liabilities	-38,787	-60,237
6.01.02.05	Income Tax and Social Contribution Paid	-60	-324
6.02	Net Cash from Investment Activities	0	-117
6.02.01	Acquisition of property, plant and equipment	0	-117
6.03	Financing Activities Net Cash	-31	-379,641
6.03.01	Interest on Shareholders' Equity and Dividends Received	-31	-379,641
6.05	Increase (Decrease) in Cash and Cash Equivalents	-4,702	-272,345
6.05.01	Opening Balance of Cash and Cash Equivalents	199,535	458,227
6.05.02	Final Cash and Equivalent Balance	194,833	185,882

Individual Financial Statements / Statement of Changes in Equity / SCE - January 1, 2020 to June 30, 2020**(R\$ thousands)**

Code of the Account	Description	Paid-up Share Capital	Capital Granted Options and Treasury Shares	Reserves,	Profit Reserve	Profit or Loss Accumulated	Other Incomes Comprehensive	Shareholders' Equity
5.01	Opening Balances	4,100,000		0	2,106,573	0	3,354,282	9,560,855
5.03	Adjusted Opening Balances	4,100,000		0	2,106,573	0	3,354,282	9,560,855
5.05	Total Comprehensive Income	0		0	0	344,566	1,064,401	1,408,967
5.05.01	Net income for the period	0		0	0	344,566	0	344,566
5.05.02	Other Comprehensive Income	0		0	0	0	1,064,401	1,064,401
5.05.02.06	Impacts from Companies with Significant Influence	0		0	0	0	1,064,401	1,064,401
5.07	Closing Balances	4,100,000		0	2,106,573	344,566	4,418,683	10,969,822

Individual Financial Statements / Statement of Changes in Equity / SCE - January 1, 2019 to June 30, 2019**(R\$ thousands)**

Code of the Account	Description	Paid-up Share Capital	Capital Reserves, Granted Options and Treasury Shares	Profit Reserve	Profit or Loss Accumulated	Other Incomes Comprehensive	Shareholders' Equity
5.01	Opening Balances	4,100,000	0	2,779,080	0	3,080,764	9,959,844
5.03	Adjusted Opening Balances	4,100,000	0	2,779,080	0	3,080,764	9,959,844
5.05	Total Comprehensive Income	0	0	0	-376,643	-30,136	-406,779
5.05.01	Net income for the period	0	0	0	-376,643	0	-376,643
5.05.02	Other Comprehensive Income	0	0	0	0	-30,136	-30,136
5.05.02.06	Impacts from Companies with Significant Influence	0	0	0	0	-30,136	-30,136
5.07	Closing Balances	4,100,000	0	2,779,080	-376,643	3,050,628	9,553,065

Individual Financial Statements / Statement of Value Added**(R\$ thousands)**

Code of the Account	Description	Accumulated in the Current Fiscal Year	Accumulated in the Fiscal Year Previous
		January 1, 2020 to June 30, 2020	January 1, 2019 to June 30, 2019
7.02	Inputs Acquired from Third Parties	-1,469	-2,188
7.02.02	Materials, Electricity, Outsourced Services and Others	-1,009	-1,596
7.02.04	Others	-460	-592
7.02.04.01	Other General Expenses	-460	-592
7.03	Gross Added Value	-1,469	-2,188
7.05	Net Added Value Produced	-1,469	-2,188
7.06	Added Value Received in Transfer	356,326	-362,202
7.06.01	Equity Income	349,472	-378,548
7.06.02	Financial Revenues	6,854	16,346
7.07	Added Value to be Allocated	354,857	-364,390
7.08	Value Added Distribution	354,857	-364,390
7.08.01	Personnel	5,117	3,789
7.08.02	Taxes, fees and contributions	957	1,330
7.08.03	Compensation of Third-Party Capital	4,217	7,134
7.08.04	Compensation of Own Capital	344,566	-376,643
7.08.04.03	Retained Earnings/Accumulated Losses for the Period	344,566	-376,643

Consolidated Financial Statements / Statement of Financial Position - Assets**(R\$ thousands)**

Code of the Account	Description	Current Quarter June 30, 2020	Previous Fiscal Year December 31, 2019
1	Total Assets	11,481,506	10,106,102
1.01	Current Assets	550,544	554,523
1.01.01	Cash and cash equivalents	197,082	201,185
1.01.03	Accounts Receivable	353,338	353,338
1.01.03.02	Other Accounts Receivable	353,338	353,338
1.01.03.02.01	Interest on Equity / Dividends Receivable	353,338	353,338
1.01.07	Prepaid Expenses	124	0
1.02	Non-Current Assets	10,930,962	9,551,579
1.02.01	Long-term receivables	172,961	206,740
1.02.01.10	Other Non-Current Assets	172,961	206,740
1.02.01.10.03	Court Deposits	7,902	7,805
1.02.01.10.04	Recoverable Taxes	165,059	198,935
1.02.02	Investments	10,757,042	9,343,767
1.02.03	Property, Plant & Equipment	92	105
1.02.04	Intangible Assets	867	967

Consolidated Financial Statements / Statement of Financial Position - Liabilities**(R\$ thousands)**

Code of the Account	Description	Current Quarter June 30, 2020	Previous Fiscal Year December 31, 2019
2	Total Liabilities	11,481,506	10,106,102
2.01	Current Liabilities	503,848	314,389
2.01.03	Tax Obligations	118	38,589
2.01.04	Loans and financings	227,155	0
2.01.04.02	Debentures	227,155	0
2.01.05	Other Obligations	276,575	275,800
2.01.05.02	Others	276,575	275,800
2.01.05.02.01	Dividends and Interest on Shareholders' Equity Payable	247,978	246,886
2.01.05.02.04	Other Obligations	28,530	28,848
2.01.05.02.05	Provision Payable on Lease Agreements	67	66
2.02	Non-Current Liabilities	7,836	230,858
2.02.01	Loans and financings	0	223,017
2.02.01.02	Debentures	0	223,017
2.02.02	Other Obligations	857	940
2.02.02.02	Others	857	940
2.02.02.02.03	Provision Payable on Lease Agreements	857	940
2.02.04	Provisions	6,979	6,901
2.03	Consolidated Shareholders' Equity	10,969,822	9,560,855
2.03.01	Share capital	4,100,000	4,100,000
2.03.04	Profit reserve	2,106,573	2,106,573
2.03.04.01	Legal Reserve	227,610	227,610
2.03.04.02	Statutory Reserve	1,878,963	1,878,963
2.03.05	Accumulated Profit / Loss	344,566	0
2.03.06	Equity valuation adjustments	4,418,683	3,354,282

Consolidated Financial Statements / Statement of Income**(R\$ thousands)**

Code of the Account	Description	Current Quarter April 1, 2020 to June 30, 2020	Accumulated in the Current Fiscal Year January 1, 2020 to June 30, 2020	Same Quarter Previous Fiscal Year April 1, 2019 to June 30, 2019	Accumulated in the Previous Fiscal Year January 1, 2019 to June 30, 2019
3.04	Operating Income/Expenses	289,765	341,331	-25,387	-385,727
3.04.02	General and administrative expenses	-4,234	-7,226	-3,712	-6,387
3.04.05	Other operational expenses	-127	-317	-313	-803
3.04.05.01	Tax Expenses	-127	-317	-313	-765
3.04.05.02	Other Operating Expenses	0	0	0	-38
3.04.06	Equity Income	294,126	348,874	-21,362	-378,537
3.05	Income before Earnings and Taxes	289,765	341,331	-25,387	-385,727
3.06	Financial Result	1,045	3,235	3,134	9,212
3.06.01	Financial Revenues	2,840	7,452	6,629	16,346
3.06.02	Financial Expenses	-1,795	-4,217	-3,495	-7,134
3.07	Earnings before Income Taxes	290,810	344,566	-22,253	-376,515
3.08	Income Tax and Social Contribution	0	0	701	-128
3.09	Net Income from Continuing Operations	290,810	344,566	-21,552	-376,643
3.11	Consolidated Income/Loss for the Period	290,810	344,566	-21,552	-376,643
3.11.01	Assigned to the Shareholders of the Parent Company	290,810	344,566	-21,552	-376,643
3.99	Earnings per Share (BRL/Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common Shares	0.78466	0.92970	-0.05815	-1.01625
3.99.01.02	Preferred Shares	0.86312	1.02267	-0.06397	-1.11788
3.99.02	Diluted Earnings per Share				
3.99.02.01	Common Shares	0.78466	0.92970	-0.05815	-1.01625
3.99.02.02	Preferred Shares	0.86312	1.02267	-0.06397	-1.11788

Consolidated Financial Statements / Statement of Comprehensive Income**(R\$ thousands)**

Code of the Account	Description	Current Quarter April 1, 2020 to June 30, 2020	Accumulated in the Current Fiscal Year January 1, 2020 to June 30, 2020	Same Quarter Previous Fiscal Year April 1, 2019 to June 30, 2019	Accumulated in the Previous Fiscal Year January 1, 2019 to June 30, 2019
4.01	Consolidated Net Income for the Period	290,810	344,566	-21,552	-376,643
4.02	Other Comprehensive Income	156,658	1,064,401	-87,228	-30,136
4.02.02	Impacts from Companies with Significant Influence	156,658	1,064,401	-87,228	-30,136
4.03	Consolidated Comprehensive Income for the Period	447,468	1,408,967	-108,780	-406,779
4.03.01	Assigned to the Shareholders of the Parent Company	447,468	1,408,967	-108,780	-406,779

Consolidated Financial Statements / Statement of Cash Flows – Indirect Method**(R\$ thousands)**

Code of the Account	Description	Accumulated in the Current Fiscal Year January 1, 2020 to June 30, 2020	Accumulated in the Fiscal Year Previous January 1, 2019 to June 30, 2019
6.01	Operating Activities Net Cash	-4,072	107,402
6.01.01	Cash from Operations	-3,542	3,368
6.01.01.01	Net income before Income Tax and Social Contribution Tax	344,566	-376,515
6.01.01.02	Equity Income	-348,874	378,537
6.01.01.04	Interest and Cash Changes, Net	800	740
6.01.01.07	Others	-34	606
6.01.02	Changes in Assets and Liabilities	-530	104,034
6.01.02.01	(Increase)/Decrease in Other Assets	38,317	164,595
6.01.02.02	Increase/(Decrease) in Other Liabilities	-38,787	-60,237
6.01.02.05	Income tax and social contribution paid	-60	-324
6.02	Net Cash from Investment Activities	0	-117
6.02.01	Acquisition of property, plant and equipment	0	-117
6.03	Financing Activities Net Cash	-31	-379,641
6.03.01	Interest on Shareholders' Equity and Dividends Received	-31	-379,641
6.05	Increase (Decrease) in Cash and Cash Equivalents	-4,103	-272,356
6.05.01	Opening Balance of Cash and Cash Equivalents	201,185	459,811
6.05.02	Final Cash and Equivalent Balance	197,082	187,455

Consolidated Financial Statements / Statement of Changes in Equity / SCE - January 1, 2020 to June 30, 2020**(R\$ thousands)**

Code of the Account	Description	Paid-up Share Capital	Capital Granted Options and Treasury Shares	Reserves,	Profit Reserve	Profit or Loss Accumulated	Other Incomes Comprehensive	Shareholders' Equity	Participation of Non-Controlling Shareholder	Shareholders' Equity Consolidated
5.01	Opening Balances	4,100,000		0	2,106,573	0	3,354,282	9,560,855	0	9,560,855
5.03	Adjusted Opening Balances	4,100,000		0	2,106,573	0	3,354,282	9,560,855	0	9,560,855
5.05	Total Comprehensive Income	0		0	0	344,566	1,064,401	1,408,967	0	1,408,967
5.05.01	Net income for the period	0		0	0	344,566	0	344,566	0	344,566
5.05.02	Other Comprehensive Income	0		0	0	0	1,064,401	1,064,401	0	1,064,401
5.05.02.06	Impacts from Companies with Significant Influence	0		0	0	0	1,064,401	1,064,401	0	1,064,401
5.07	Closing Balances	4,100,000		0	2,106,573	344,566	4,418,683	10,969,822	0	10,969,822

Consolidated Financial Statements / Statement of Changes in Equity / SCE - January 1, 2019 to June 30, 2019**(R\$ thousands)**

Code of the Account	Description	Paid-up Share Capital	Capital Granted Options and Treasury Shares	Reserves,	Profit Reserve	Profit or Loss Accumulated	Other Incomes Comprehensive	Shareholders' Equity	Participation of Non-Controlling Shareholder	Shareholders' Equity Consolidated
5.01	Opening Balances	4,100,000		0	2,779,080	0	3,080,764	9,959,844	0	9,959,844
5.03	Adjusted Opening Balances	4,100,000		0	2,779,080	0	3,080,764	9,959,844	0	9,959,844
5.05	Total Comprehensive Income	0		0	0	-376,643	-30,136	-406,779	0	-406,779
5.05.01	Net income for the period	0		0	0	-376,643	0	-376,643	0	-376,643
5.05.02	Other Comprehensive Income	0		0	0	0	-30,136	-30,136	0	-30,136
5.05.02.06	Impacts from Companies with Significant Influence	0		0	0	0	-30,136	-30,136	0	-30,136
5.07	Closing Balances	4,100,000		0	2,779,080	-376,643	3,050,628	9,553,065	0	9,553,065

Consolidated Financial Statements / Value Added Statement**(R\$ thousands)**

Code of the Account	Description	Accumulated in the Current Fiscal Year January 1, 2020 to June 30, 2020	Accumulated in the Fiscal Year Previous January 1, 2019 to June 30, 2019
7.02	Inputs Acquired from Third Parties	-1,469	-2,199
7.02.02	Materials, Electricity, Outsourced Services and Others	-1,009	-1,607
7.02.04	Others	-460	-592
7.02.04.01	Other General Expenses	-460	-592
7.03	Gross Added Value	-1,469	-2,199
7.05	Net Added Value Produced	-1,469	-2,199
7.06	Added Value Received in Transfer	356,326	-362,191
7.06.01	Equity Income	348,874	-378,537
7.06.02	Financial Revenues	7,452	16,346
7.07	Added Value to be Allocated	354,857	-364,390
7.08	Value Added Distribution	354,857	-364,390
7.08.01	Personnel	5,117	3,789
7.08.02	Taxes, fees and contributions	957	1,330
7.08.03	Compensation of Third-Party Capital	4,217	7,134
7.08.04	Compensation of Own Capital	344,566	-376,643
7.08.04.03	Retained Earnings/Accumulated Losses for the Period	344,566	-376,643

Comments on the Financial Information

MANAGEMENT COMMENTS ON THE COMPANY'S PERFORMANCE

Below, we present the Consolidated Income Statement in accordance with accounting practices adopted in Brazil.

Income Statement	(R\$ thousand)					
	2Q19	1Q19	Chg %	1H19	1H18	Chg %
Equity Income	294,126	(21,362)	-	348,874	(378,537)	-
Operating Revenue	294,126	(21,362)	-	348,874	(378,537)	-
General and Administrative Expenses	(794)	(1,075)	-26.1%	(1,545)	(2,236)	-30.9%
Payroll Expenses	(3,440)	(2,637)	30.5%	(5,681)	(4,151)	36.9%
Financial Revenues (Expenses)	1,045	3,134	-66.7%	3,235	9,212	-64.9%
Tax Expenses	(127)	(313)	-59.4%	(317)	(765)	-58.6%
Other Operational Expenses	-	-	-	-	(38)	-
Operational Result before Income Tax/Social Contribution	290,810	(22,253)	-	344,566	(376,515)	-
Income Tax / Social Contribution	-	701	-	-	(128)	-
Results for the Period	290,810	(21,552)	-	344,566	(376,643)	-

OPERATIONAL INCOME

As an Investment Company, BRADESPAR's operational revenue from the equity and interest on capital of VALE. BRADESPAR in 2020 second quarter recorded operating operational revenue of BRL 294.1 million and accumulated in the first six months of the year totaled BRL 348.9 million.

The solid performance of ferrous minerals of VALE is pointed out for the period, totaling USD 3.5 billion EBITDA in 2Q20, 23% higher than in 2020 first quarter, mainly due to higher prices charged, reflecting healthy demand from China, the largest sales volumes of iron ore fine, after a quarter of stronger sales volumes and the positive effect of the devaluation of the real against the dollar.

FINANCIAL RESULT

In the quarter, the financial result of BRADESPAR reached the positive value of BRL 1.0 million, and BRL 3.2 million accumulated in the first six months of the year, due to investments and compensation on Tax Recoverable. This result reflects the fact that on the total early redemption of the Third Issue of Promissory Notes in the amount of BRL 2.458 billion and the early partial amortization of the Seventh Public Issue of Simple Debentures in the amount of BRL 512.7 million, made in previous years, the Company's net debt is currently close to zero.

Comments on the Financial Information

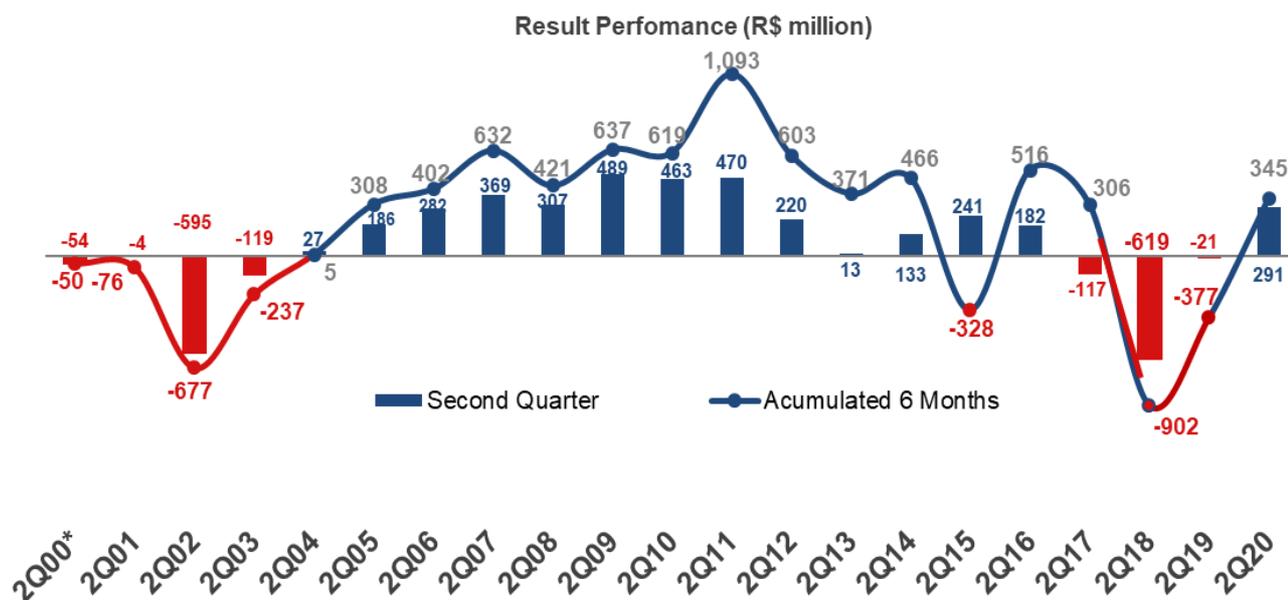
STAFF, GENERAL AND ADMINISTRATIVE EXPENSES

Staff, general and administrative expenses of BRADESPAR totaled in 2nd quarter of 2020, BRL 4.2 million, against BRL 3.7 million compared to the same period in last year.

RESULTS OF THE QUARTER

In 2nd quarter of 2020, Bradespar presented net profit of BRL 290.8 million against a loss of BRL 21.6 million recorded at the end of 2Q19.

In the accrual of year, net profit was BRL 344.6 million, reversing a loss of BRL 376.6 million in the first six months of the previous year, reflex of VALE's performance.



* Corresponds to 4 months of operation

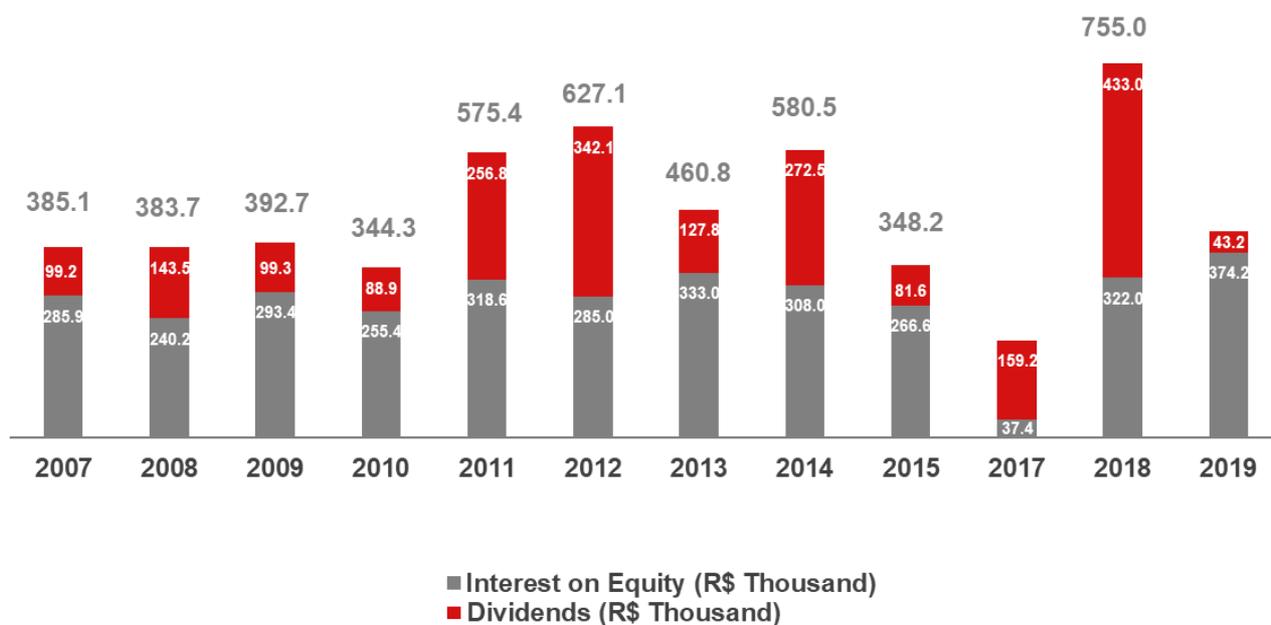
Comments on the Financial Information

DIVIDENDS AND INTEREST ON EQUITY

In line with its Annual Compensation Indicative Policy to Shareholder, BRADESPAR announced on December 20, 2019, the payment of interest on equity on BRL 269.3 million, of which BRL 0.726619662 per common share and BRL 0.799281628 per preferred share, for the shareholders registered in the Company's records on December 27, 2019.

Payment will be made on August 20 of the current year at the net amount of BRL 0.617626713 per common share and BRL 0.679389384 per preferred share, after the deduction of 15% (fifteen percent) withholding Income Tax, except for legal entity shareholders exempt from this tax.

History on payment of Interest on Equity and Dividends



Comments on the Financial Information

COMMENTS ON THE INVESTED COMPANY

VALE

Brazilian Private company, Vale is present in about 30 countries, one of the largest mining companies in the world in the production of iron ore, iron and nickel ore pellets. The company also produces manganese ore, ferroalloy, thermal and metallurgical coal, copper, metal byproducts of the platinum group, gold, silver and cobalt. The Company also operates large logistics systems in Brazil and other regions worldwide, including railroads, maritime terminals and ports, integrated to its operations.

It should be noted that VALE has advanced in its Environmental, Social and Governance agenda (ESG), announcing a target aligned with the Paris Agreement. USD 2.0 billion investments will be made in renewable energy over the next 10 years to support and provide solutions for a low carbon economy.

Is also noted that after the reduction of uncertainties related to the COVID-19 pandemic and the mitigation of risks of a second wave in China, VALE assessed that most critical moment has ended and decided to resume its Compensation Policy to Shareholders which requires minimum dividends calculated based on the results of the 1st half 2020 to be paid in September of this year. In addition, the Board of Directors of VALE decided to pay, on August 7, 2020, interest on equity of BRL 1.41 per share, which had been approved on December 19, 2019.

Finally, with the current Shareholders' Agreement of VALE expiring in November this year, the Board of Directors decided to establish an Appointment Committee with the role of proposing improvements related to the structure, size and skills of the Board of Directors, essential to define candidates to be presented to VALE's General Meeting in 2021. The Committee was announced in July, with a majority of independent members and names and reputable background.

The main points on the VALE's performance in the period were:

- Adjusted EBITDA of USD 3.6 billion;
- Net income of USD 995.0 million; and
- Total investments of USD 967.0 million, consisting of USD 124.0 million in performance of design and USD 843.0 million in maintenance operations.

Comments on the Financial Information

SERVICES RENDERED BY PUBLIC ACCOUNTANTS

In compliance with the CVM provision no.- 381/03, BRADESPAR informs that on 2nd quarter of 2020, IT neither contracted nor had services rendered by the public accountant - PricewaterhouseCoopers Auditores Independentes - nor related to external audit.

BRADESPAR adopts a policy on services contracting unrelated to external audit, at posture to meet the regulations that keep the independence of the external auditor, while maintaining consistency with international principles, in compliance with procedures established by the Company, which include, among others, the following: (a) the auditor shall not audit its own work; (b) the auditor shall not perform a management role on customer, and (c) the auditor shall not legally represent the interests of its customers. Moreover, in case of contracting other services, scope and procedures of these services are discussed with the public accountants, thus the established independence rules are not affected.

Notes to the Financial Statements

Notes to the Financial Statements (In thousands of reais, unless otherwise specified)

1. OPERATIONS

BRADESPAR S.A. (BRADESPAR, Company or Parent Company), a publicly held corporation headquartered at Avenida Paulista, 1450, 9º andar, São Paulo - SP, Brazil, is to acquire shareholding interest in other companies.

The authorization to issue these interim financial statements was granted by the Board of Directors on August 12, 2020.

The direct equity interests are as follows:

a) Millennium Security Holdings Corp. (MILLENNIUM)

The corporate purpose of MILLENNIUM is to engage in any act or activity permitted by any law prevailing in the British Virgin Islands.

b) VALE S.A. (VALE)

VALE S.A. is a publicly-held company headquartered in the city of Rio de Janeiro-Brazil, with securities are traded on the Stock Exchanges of São Paulo - B3 S.A. – Brasil, Bolsa, Balcão (VALE3), Nova York – NYSE (VALE) and Madri – LATIBEX (XVALO).

VALE S.A. and its direct and indirect subsidiaries are the world's largest producer of iron ore and pellets, key raw materials for the steel industry and nickel producers, with applications in the stainless steel and metal alloys industry. The VALE also produces copper, copper, thermal and metallurgical charcoal, manganese, iron alloys, metals of the group of platinum, gold, silver and cobalt (Note 18).

2. PRESENTATION OF FINANCIAL STATEMENTS

We present the Individual (Parent Company) and Consolidated financial statements of BRADESPAR, which includes the subsidiary MILLENNIUM, on June 30, 2020.

The Company's parent company and consolidated financial statements were drawn up in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), and are presented in accordance with CPC 36 (R3) – Consolidated Financial Statements, related to the international standard IFRS 10 – "Consolidated Financial Statements", implemented in Brazil through the Brazilian Accounting Pronouncements Committee (CPC) and its technical pronouncements (CPCs), interpretations (ICPCs) and guidelines (OCPCs), approved by the Brazilian Securities and Exchange Commission (CVM).

Management states that the disclosures in BRADESPAR's individual and consolidated financial statements show all material information used in its management and the accounting practices described above have been consistently used between the periods presented.

Notes to the Financial Statements

The accounting estimates applied to draw up the financial statements, related to deferred tax assets and liabilities, liability provisions and contingencies, consider the best evidence available and are based on assumptions applicable at the end of the reporting fiscal years. The final results, when realized, may differ from the estimated values.

BRADESPAR evaluates the subsequent events until the date on which the Board of Directors approved the financial statements.

3. MAIN ACCOUNTING POLICIES

The condensed interim financial statements follow the principles, methods and uniform criteria in relation to those adopted for the annual financial statements for the year ended December 31, 2019 and should be analyzed together with those financial statements.

a) Principles of Consolidation

The consolidated financial statements reflect the balances and transactions of the parent company and its subsidiary. Investments with significant influence are accounted for using the equity method in Note 8a.

BRADESPAR's consolidated financial statements include its direct subsidiary MILLENNIUM.

b) Segment reporting

BRADESPAR is a holding company whose corporate purpose and sole business segment is to hold interest as partner or shareholder in other companies.

4. KEY ACCOUNTING JUDGMENTS AND ESTIMATES

The due accounting estimates are the same as those used when preparing the financial statements for the year ended December 31, 2019.

5. ACCOUNTING PRONOUNCEMENTS

a) Standards, amendments or interpretations of applicable standards as of January 1, 2020:

- The Conceptual Framework for Financial Reporting describes the purpose and concepts of financial reporting for general purposes. Among the changes in definitions in this document, the new definition of assets and liabilities stands out, with assets as “a present economic resource controlled by the entity as a result of past events” and liabilities as “a present obligation of the entity to transfer an economic resource as a result of past events”. The new Conceptual Framework comes into effect for annual periods beginning on or after January 1, 2020. An analysis was carried out on the new Conceptual Framework and no material impacts were identified on Bradespar.

Notes to the Financial Statements

- The review document of Technical Pronouncements No. 16, related to Technical Pronouncement CPC 06 (R2), issued by CPC, via CVM Resolution 859 of July 7, 2020, has been approved. According to this document, the lessee can choose not to assess whether a Benefit Granted to a Lessee under a Lease Agreement, arising directly from the COVID-19 pandemic, is an amendment to said lease agreement, in case it meets the following conditions:

- The consideration changed for lease is substantially equal or inferior to the consideration for lease prior to the amendment;

- Any payment reduction only affects payments originally due on or prior to June 30, 2021; and

- No other terms and conditions of the lease agreement have been substantially amended. The above-mentioned practical expedient has not been adopted.

b) Standards, amendments and interpretations of applicable standards in future periods:

- IFRS 17 - Insurance Agreements. Establishes principles for the recognition, measurement, presentation and disclosure of insurance agreements within the scope of the Standard. The purpose of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents the agreements. IFRS 17 comes into effect for annual periods beginning on or after January 1, 2023.

6. RISK MANAGEMENT

In the period, there was no change in relation to the risk management policies disclosed in the year ended December 31, 2019.

7. CASH AND CASH EQUIVALENTS

	Parent Company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Available funds in domestic currency	62	120	2,311	1,770
Financial investment funds (1)	194,771	199,415	194,771	199,415
TOTAL	194,833	199,535	197,082	201,185

(1) Refer to investments of fixed income in Financial Investment Funds, allocated to members of the Organization or associated Companies, which are considered as qualified investors, managed by Bradesco.

8. INVESTMENTS

a) The adjustments resulting from the parent company's equity method are as follows:

Companies	Share Capital	Adjusted Shareholders' Equity	Adjusted Income	Number of Shares Owned (in thousand)	Share Capital Interest %	Total Investments		Adjustment due to Valuation (1)			
						June 30, 2020	December 31, 2019	2Q20	2Q19	1H20	1H19
MILLENNIUM	11,919	2,249	598	-	100.00	2,249	1,650	114	(29)	598	(11)
VALE (2) (3) (4)	77,300,000	193,412,433	6,272,780	293,907	5.56	10,757,042	9,343,767	294,126	(21,362)	348,874	(378,537)
Total	-	-	-	-	-	10,759,291	9,345,417	294,240	(21,391)	349,472	(378,548)

(1) Considers the results recorded by the companies, including investees' equity variations not deriving from income, as well as adjustments due to conformity of the accounting practices, when applicable;

(2) The company's June 30, 2020 information was audited by the same independent auditors of BRADESPAR;

(3) The use of the equity method of investment with significant influence on VALE S.A., results from the shareholders' agreement of VALE S.A. that will remain in effect until November 9, 2020. After that date, if the Company does not keep a significant influence over the investee, it will no longer apply the equity method and will evaluate the investment as a financial instrument; and

(4) For more information on the direct investment in VALE, see Note 18.

Notes to the Financial Statements

b) Breakdown of investments measured by equity accounting method in the Consolidated:

Company	Total Investments		Market Cap ⁽²⁾	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
VALE	6,338,359	5,989,485	16,435,279	15,665,243
VALE – adjustment effect ⁽¹⁾	4,418,683	3,354,282	-	-
Total	10,757,042	9,343,767	16,435,279	15,665,243

(1) Equity valuation adjustments, as per Law 11638/07 and CPCs 2 and 8, which are recorded against equity, basically refer to forex differences when translating foreign currency into the functional currency of the operations performed by VALE; and

(2) Market cap of VALE's interest.

9. DEBENTURES PAYABLE

On July 28, 2018, BRADESPAR carried out its seventh public issue of 70,000 non-convertible debentures, at the unit par value of ten thousand reais (R\$10,000), totaling R\$700,000, maturing on June 28, 2021 as of the issue date. With interest corresponding to 103.95% of the accumulated variation of the DI over extra group daily average rate

- One-day Interbank Deposits, calculated and disclosed by B3 and available on CETIP's webpage, on a year of 252 business days, expressed as annual percentage ("DI-Over Rate"), incurring on the unit par value or on the balance of the unit par valued of the debentures, calculated from the issue date or from the actual payment date of the compensation, until the end of the capitalization period, *pro rata temporis*.

On July 2, 2018, BRADESPAR received the amount of R\$700,358 from the seventh public issue of 70,000 non-convertible debentures, at the unit par value of R\$10,000, issued on June 28, 2018. The funds obtained had the purpose of fully settling the debentures of the single series of the sixth issue.

On December 27, 2018, BRADESPAR notified the holders of debentures of its seventh issue on the extraordinary early amortization of 70% (seventy percent) of the unit par value of the debentures, according to contractual prerogative that allows the early amortization, limited to 90% of the nominal unit value or the balance of the nominal unit value of the debentures, compensation, calculated *pro rata temporis* from the issue date up to the actual payment date in the amount of R\$512,734.

On June 30, 2020 and December 31, 2019, BRADESPAR did not identify any non-compliance event that could cause the early maturity of the debt.

On June 30, 2020, the updated payable balance of the debentures totaled R\$227,155 (December 31, 2019 – R\$223,017).

10. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES AND LEGAL OBLIGATIONS - TAX

a) Contingent assets

No contingent assets were recognized; however, there are proceedings with probable chances of success, namely:

- COFINS – R\$12,230 (December 31, 2019 – R\$12,159): The Company pleads COFINS refund or offset, collected pursuant to Law 9,718/98, between January and October 2001, regarding all due invoicing surplus; and

Notes to the Financial Statements

- Social Integration Program (PIS) – R\$2,650 (December 31, 2019 – R\$2,634): The Company pleads the PIS refund or offset, collected pursuant to Law 9,718/98, between January and October 2001, regarding all surplus due amounts based on the requirements set out by Supplementary Law 7/70 (Pis Repique), or at least regarding all due invoicing surplus.

b) Provisions classified as probable losses and legal obligations - Tax

The companies covered in the Consolidated are parties in tax lawsuits arising from the regular course of their activities.

When recording provisions, Management considers the legal counsel's opinion, nature of lawsuits, similarity with previous proceedings, complexity, and court standpoint, whenever losses are classified as probable.

BRADESPAR's Management understands that the provision recorded is sufficient to cover all losses arising from such proceedings.

Liabilities regarding legal obligations under legal dispute are maintained until the lawsuit is granted relief, represented by favorable court decisions over which no further appeals shall not apply or barred by law.

I) Tax Provisions

By virtue of the Private Share Purchase Agreement representing Bradesplan Participações Ltda. (BRADESPLAN's) share capital, executed with Banco Bradesco S.A. (BRADESCO) in May 2006, BRADESPAR is responsible for tax court proceedings (PIS and COFINS) involving the former subsidiary BRADESPLAN. On June 30, 2020, the updated amount totaled R\$6,979 (December 31, 2019 – R\$6,901).

The balance of judicial deposits on June 30, 2020, in the amount of R\$7,902 (December 31, 2019 – R\$7,805) is related to COFINS, which must be refunded by the Brazilian Federal Revenue Service (RFB) pursuant to the aforementioned proceedings.

II) Changes in Tax Provisions:

	Parent Company and Consolidated	
	1H20	1H19
Opening Balance of the Period	6,901	6,665
Monetary restatement	78	118
Closing Balance of the Period	6,979	6,783

Notes to the Financial Statements

c) Contingent liabilities classified as possible losses

BRADESPAR has a system to monitor all the administrative and legal proceedings in which it is the plaintiff or defendant, and supported by its legal counsels' opinion, it classifies lawsuits according to the expectation of failure: remote, possible or probable.

The lawsuits classified as possible are:

- I) ANTARES, incorporated by BRADESPAR, is a party to a lawsuit filed with RFB, as successor of the spun-off portion of VBC Participações S.A. (VBC), concerning the compensation in this company for tax losses and negative calculation base of social contribution on net profit, during its total spin-off and consequent extinction, in an amount higher than the limit of 30% set forth by Law No. 8.981/95. The total amount, on June 30, 2020, corresponded to R\$283,242 (December 31, 2019 - R\$280,709), of which R\$208,618 was recorded as income tax (December 31, 2019 - R\$206,752) and R\$74,624 was recorded as social contribution on net income (December 31, 2019 - R\$73,957).
- II) Bradespar is a party to a lawsuit filed by Litel Participações S.A. ("Litel"), which is filed in court under legal confidentiality, Case 0281248-69.2018.8.19.0001 at the 10th Civil Court of Rio de Janeiro. In this lawsuit, Litel seeks the conviction of Bradespar for the payment of R\$1.4 billion as reimbursement of the amount that Litel paid to Elétron S.A. ("Elétron"), in an agreement entered into in the records of a lawsuit to comply with an arbitration decision, converted into losses and damages, filed against Litel and Bradespar. Litel alleged a noncompliance with the Indemnification Agreement entered into between the parties on January 5, 2001.

Bradespar disagrees with Litel's lawsuit due to the reasons addressed in the defense filed on March 8, 2019. In addition to contesting the lawsuit, Bradespar filed a counterclaim seeking to compel Litel to reimburse the Company in the amount of R\$705 million, based on the terms of the aforementioned Indemnity Agreement.

In a court decision issued on December 4, 2019, the first-degree judge dismissed the lawsuit filed by Litel and partially accepted the counterclaim totaling R\$470 million. Litel filed an appeal, Bradespar presented its counter-arguments and now awaits the outcome of the appeal at the Court of Justice of the Rio de Janeiro State.

The Management and Escritório Sérgio Bermudes, which represents Bradespar in the lawsuit, maintain as possible the likelihood of loss of Bradespar.

- d) The Company does not have labor contingencies, classified as probable and possible losses, which shall be provisioned or disclosed.

11. SHAREHOLDERS' EQUITY

a) Ownership structure in number of shares

Share capital is divided into non-par, book-entry, registered shares.

	June 30, 2020	December 31, 2019
Common Shares	122,171,449	122,171,449
Preferred shares	225,862,596	225,862,596
Total Outstanding	348,034,045	348,034,045

Notes to the Financial Statements

b) Interest on equity and/or dividends

As per the notice to the market of December 20, 2019, after reviewing the cash generation flows and the distribution of income of its investee and in accordance with the flows and the “Indicative Policy for Annual Remuneration”, BRADESPAR will pay interest on equity on totaling R\$269,300, with 0.726619662 per common share and 0.799281628 per preferred share, which will be paid in the due time according to its free cash flow.

c) Treasury Shares

The Board of Directors’ Meeting of August 14, 2019, resolved to renew the share buyback program; the shares will be held in treasury and subsequently sold or canceled, without reducing the share capital. In order to invest funds from the “Profit Reserve – Statutory”, which are available for investment, the Board of Directors authorized the Company’s Executive Board to acquire, between August 15, 2019 and February 15, 2021, up to 10,870,000 no-par registered, book-entry shares, of which up to 970,000 common and up to 9,900,000 preferred, within the authorized limits and the validity period mentioned above.

12. FINANCIAL RESULT

	Parent Company			
	2Q20	2Q19	1H20	1H19
Financial Revenues				
Total Financial Investments	1,400	3,860	3,339	9,896
Interest rate on recoverable taxes	1,282	2,699	3,382	6,279
Others	44	88	133	171
	2,726	6,647	6,854	16,346
Financial Expenses				
Debenture interest expenses	(1,737)	(3,413)	(4,092)	(6,718)
Others	(58)	(82)	(125)	(416)
	(1,795)	(3,495)	(4,217)	(7,134)
Net Earnings	931	3,152	2,637	9,212

	Consolidated			
	2Q20	2Q19	1H20	1H19
Financial Revenues				
Total Financial Investments	1,400	3,852	3,344	9,896
Interest rate on recoverable taxes	1,282	2,699	3,382	6,279
Others	158	78	726	171
	2,840	6,629	7,452	16,346
Financial Expenses				
Debenture interest expenses	(1,737)	(3,413)	(4,092)	(6,718)
Others	(58)	(82)	(125)	(416)
	(1,795)	(3,495)	(4,217)	(7,134)
Net Earnings	1,045	3,134	3,235	9,212

Notes to the Financial Statements

13. INCOME TAX AND SOCIAL CONTRIBUTION

a) Taxes to Offset and Recover

Taxes to Offset and Recover, in the Parent Company and Consolidated, totaling R\$165,059 (December 31, 2019 - R\$198,935), basically refer to income tax and social contribution from previous fiscal years and withholding income tax over financial investment and interest on equity received.

b) Statement of calculation of charges with income tax and social contribution:

	Parent Company			
	2Q20	2Q19	1H20	1H19
Earnings before taxes (Income Tax and Social Contribution)	290,810	(22,253)	344,566	(376,515)
Total income tax and social contribution at the tax rates of 25% and 9%, respectively	(98,875)	7,566	(117,152)	128,015
Effect of additions and exclusions in tax calculations:				
Shareholding interest in subsidiaries and investments with substantial influence	100,041	(7,273)	118,820	(128,706)
Non-deductible provisions and expenses, net of non-taxable income	(257)	(279)	(620)	(306)
Interest on equity received and receivable	-	-	-	-
Others	(909)	687	(1,048)	869
Income Tax and Social Contribution Tax in the Period	-	701	-	(128)

	Consolidated			
	2Q20	2Q19	1H20	1H19
Earnings before taxes (Income Tax and Social Contribution)	290,810	(22,253)	344,566	(376,515)
Total income tax and social contribution at the tax rates of 25% and 9%, respectively	(98,875)	7,566	(117,152)	128,015
Effect of additions and exclusions in tax calculations:				
Investment with substantial influence	100,003	(7,262)	118,617	(128,702)
Non-deductible provisions and expenses, net of non-taxable income	(219)	(290)	(417)	(310)
Interest on equity received and receivable	-	-	-	-
Others	(909)	687	(1,048)	869
Income Tax and Social Contribution Tax in the Period	-	701	-	(128)

c) Unused tax credits

On June 30, 2020, in the Parent Company and in the Consolidated, unused income tax and social contribution tax credits, calculated on temporary additions and tax losses and social contribution tax loss carryforwards, totaled R\$322,322 (December 31, 2019 – R\$321,433).

14. RELATED PARTIES

- l) Related-party transactions (direct and indirect) are performed based on conditions and fees compatible with third-party averages on the date of such transactions. In 2020, we did not have related-party transactions, and the amount of R\$353,338 on December 31, 2019 refers to interest on equity receivable in the Parent Company and the Consolidated, due to VALE's resolution.

Notes to the Financial Statements

II) Compensation of Key Management Personnel

Each year, the Annual Shareholders' Meeting establishes:

- Management's overall annual compensation, which is defined at the Board of Directors' meeting, to be paid to the members of the Board of Directors and Executive Board, as provided for by the Company's Bylaws; and
- The amount allocated to fund the supplementary pension plans of the Management, within the Pension Plan for BRADESPAR's Management.

For 2020, the maximum of R\$9,480 was established for the remuneration of the Management. Part of this refers to the social security contribution to INSS, which is a liability to the Company, and R\$5,100 to cover private pension plans.

Short-term and medium-term compensation to the Management

	2Q20	2Q19	1H20	1H19
Compensation and Social Security Contribution for INSS	1,616	1,282	2,482	1,827
Total	1,616	1,282	2,482	1,827

Post-employment benefits

	2Q20	2Q19	1H20	1H19
Additional Pension Plans with Fixed Contribution	1,149	1,149	2,298	1,977
Total	1,149	1,149	2,298	1,977

Other Benefits

BRADESPAR does not have long-term benefits upon employment contract termination or share-based compensation, pursuant to CPC 10 - Share-Based Compensation for its Management's key personnel.

III) Equity interest

The members of the Board of Directors and of the Executive Board jointly hold the following shareholding in BRADESPAR:

	June 30, 2020	December 31, 2019
• Common shares	0.3807%	0.3807%
• Preferred shares	0.5534%	0.5473%
• Total Shares	0.4928%	0.4888%

15. FINANCIAL INSTRUMENTS

a) The financial instruments are classified below:

- Financial Assets in the Parent Company, refer to Cash and Cash Equivalent, totaling R\$194,833 (December 31, 2019 – R\$199,535), and, in the Consolidated, totaling R\$197,082 (December 31, 2019 – R\$201,185); and

Notes to the Financial Statements

II) Financial Liabilities - Amortized Cost at the Parent Company and Consolidated, refer to Payable Debentures totaling R\$227,155 (December 31, 2019 - R\$223,017) and Other Liabilities totaling R\$25,370 (December 31, 2019 - R\$25,468) Note 17 c.

b) Non-discounted cash flow for financial liabilities

The undiscounted contractual cash flow payable of non-derivative financial liabilities refers to Debentures Payable, totaling R\$232,173 (December 31, 2019 - R\$238,250), maturing on June 28, 2021.

Cash flows are estimates prepared by the Company and may vary in relation to this analysis due to oscillations in the index to which it is linked.

c) Sensitivity analysis

In compliance with CVM Instruction 475/08, the following chart provides the sensitivity of positions subject to variations in market rates or prices:

Risk Factors	Definition	Scenarios					
		June 30, 2020			December 31, 2019		
		1	2	3	1	2	3
Interest Rate in Reais	Exposures subject to variations of fixed interest rates and interest rate coupon	(2)	(55)	(110)	(1)	(90)	(178)
Total without Correlation		(2)	(55)	(110)	(1)	(90)	(178)
Total without Correlation		(2)	(55)	(110)	(1)	(90)	(178)

The sensitivity analysis was performed based on the scenarios developed for the respective dates, always considering the market information of the time and scenarios that would negatively affect our positions.

Scenario 1: Based on the market information (B3, Anbima, etc.), 1-basis point shocks were applied for the interest rate. Example: a 2.37% p.a. scenario was applied to a fixed 1-year interest rate of 2.38%;

Scenario 2: Shocks of 25% were applied based on the market. Example: a 2.37% p.a. scenario was applied to a fixed 1-year interest rate of 2.96% p.a.

Scenario 3: Shocks of 50% were applied based on the market. Example: a 2.37% p.a. scenario was applied to a fixed 1-year interest rate of 3.56% p.a.

16. FAIR VALUE ESTIMATE

It is assumed that the fair value of cash and cash equivalents and other obligations is in line with their book values considering that they are significantly close to their curve values, without significant market, credit and liquidity risk. The Company uses CPC 40 (R1) for financial instruments measured at fair value in the balance sheet.

Notes to the Financial Statements

- I) Financial liabilities measured at amortized cost at the Parent Company and Consolidated, refer to Debentures Payable, and their estimated fair value by discounting future contractual cash flows approximated to the amortized cost.
- II) The Company does not have assets measured at fair value based on levels 1, 2 and 3 and liabilities measured at fair value based on levels 1 and 3.

17. OTHER INFORMATION

- a) The Company did not operate with derivative financial instruments on June 30, 2020 and December 31, 2019;
- b) Intangible Assets on June 30, 2020, in the Parent Company and in the Consolidated, totaling R\$867 (December 31, 2019 - R\$967), refers to a property lease;
- c) Other Liabilities, in the Parent Company and Consolidated, to R\$28,530 (December 31, 2019 – R\$28,848) mainly refer to the fractions of shares arising from the reverse split, as resolved at the Extraordinary Shareholders' Meeting (ESM) of April 2004, which were sold on the B3 auction in July 2004; the amounts were credited or made available to shareholders. The amounts were credited or made available to shareholders;
- d) General and Administrative Expenses, in the Parent Company and in the Consolidated, refer to Personnel Expenses, totaling R\$5,681 in the first half of 2020 (1H 2019 – R\$4,151) and R\$3,440 in the second quarter of 2020 (2Q 2019 – R\$2,637), and Other General and Administrative Expenses, totaling R\$1,545 in the first half of 2020 (1H 2019 – R\$2,225 in the Parent Company and R\$ 2,236 in the Consolidated) and R\$794 in the second quarter of 2020 (2Q 2019 – R\$1,064 in the Parent Company and R\$ 1,075 in the Consolidated); and
- e) Bradespar is a Holding and its operations are mainly affected by the impact on investments in which the Company has significant influence. This investment had no significant impact due to the pandemic. However, due to the spread of Covid-19, future changes may occur, making it impossible to predict possible impacts at the moment, which may lead to changes in the fair values of assets and liabilities of its investee in subsequent periods. The Company will continue to closely observe the future developments of this situation.

18. SUBSEQUENT EVENTS

- a) On August 7, 2020, Bradespar received interest on VALE's equity in the amount of R\$ 353,338, as disclosed on July 29, 2020; and
- b) On August 12, 2020, Bradespar informed that will pay interest on equity in the amount of R\$269,300, on August 20, 2020, referring to the Material Fact disclosed on December 20, 2019.

Notes to the Financial Statements

19. ADDITIONAL INFORMATION ON INVESTMENTS WITH SIGNIFICANT INFLUENCE

- I) Below, the summary of the Consolidated Balance Sheet and the Consolidate Income published by VALE, not representing BRADESPAR's proportional interest:

BALANCE SHEET - R\$ Million	June 30, 2020	December 31, 2019
ASSETS		
Current	111,195	68,698
Noncurrent:		
Long-Term	86,794	67,705
Investments	11,343	11,278
Property, Plant & Equipment	209,248	187,733
Intangible Assets	36,724	34,257
TOTAL	455,304	369,671
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current	61,072	55,806
Non-current	213,857	156,716
Shareholders' Equity	180,375	157,149
TOTAL	455,304	369,671
Direct Interest	5.56%	5.56%

INCOME STATEMENT - R\$ Million				
	2Q20	2Q19	1H20	1H19
Sales revenue, net	24,855	19,763	43,648	36,548
Cost of goods sold, and services rendered	(9,942)	(9,097)	(18,559)	(18,298)
Gross Profit	14,913	10,666	25,089	18,250
Operating revenues (expenses)	(1,811)	(3,991)	(6,390)	(18,680)
Impairment and disposal of non-current assets	(180)	(431)	(138)	(1,062)
Financial Result	(3,689)	(2,842)	(11,675)	(5,725)
Equity Income	(2,785)	(2,862)	(3,552)	(2,548)
Income (loss) before Income Taxes	6,448	540	3,334	(9,765)
Income Taxes	(1,159)	(924)	2,939	2,959
Net income (loss) attributed to VALE's shareholders	5,289	(384)	6,273	(6,806)

II) Other Information

a) Contingencies related to Samarco accident

(i) Public civil claim filed by the Federal Government and others and Public civil claim filed by Federal Prosecution Office ("MPF")

In 2016, the federal government, the Brazilian states of Espírito Santo and Minas Gerais and other governmental authorities have initiated a public civil lawsuit against Samarco and its shareholders, with an estimated value indicated by the plaintiffs of R\$20.2 billion. In the same year, MPF filed a public civil action against Samarco and its shareholders and presented several claims, including: (i) the adoption of measures for mitigating the social, economic and environmental impacts resulting from the dam failure and other emergency measures; (ii) the payment of compensation to the community; and (iii) payments for the collective moral damage. The action value indicated by MPF is R\$155 billion.

Notes to the Financial Statements

In June 2018, the parties entered into a Term of Adjustment of Conduct (“TacGov”), which extinguished: the public civil claim of R\$20.2 billion filed by the Federal Government and others; and (ii) part of the claims included in the public civil claim of R\$155 billion filed by MPF. The agreement also establishes a possible renegotiation of Fundação Renova's repair programs after the conclusion of the specialist's studies hired to advise MPF in this process. These negotiations are still underway and are expected to conclude in 2020.

In September 2019, the Court approved the list of entities selected by the community to provide it with technical assistance to assure its participation on the debates regarding the measures to be adopted for mitigate the impacts, accordingly to the referred TacGov.

In January 2020, the Court issued an order for the Brazilian Mining Authority (“ANM”) ratifying the revocation of the decision issued on the public civil actions filed by the Brazilian Federal Government and others, determine the immediate revocation of the restrictions on VALE's mining concessions.

In January 2020, the Court also determined the commencement of 10 specific proceedings to address the controverted and pendent topics of the settlement agreements signed by the parties (TTAC and TacGov), according to priority aspects of said agreements (the “Priority Topics”). The Court has been establishing specific obligations in each of the Topics for the public authorities, Renova Foundation, VALE, Samarco and BHP Brasil, with the purpose of overcoming the pending and controversial topics of each subject.

(ii) United States class action lawsuits

In March 2017, holders of bonds issued by Samarco Mineração S.A. filed a class action suit in the Federal Court in New York against Samarco, VALE, BHP Billiton Limited, BHP Billiton PLC and BHP Brasil Ltda. under U.S. Federal Securities laws. The plaintiffs allege that VALE made false and misleading statements or did not make disclosures concerning the risks and dangers of the operations of Samarco's Fundão dam and the adequacy of related programs and procedures.

In June 2019, the Court issued a decision and order dismissing with prejudice the putative federal securities class action. In December 2019, the plaintiffs filed a Notice of Appeal to the Court of Appeals. On March 10, 2020, the plaintiffs presented their initial appeal. On June 8, 2020, VALE filed an opposition to the plaintiffs' appeal. The Court of Appeals should decide the case in 2020. Based on the assessment of the VALE's legal consultants, VALE has good arguments to oppose the appeal.

(iii) Class action lawsuits related to Vale's American Depositary Receipts

With respect to litigation in the United States concerning Samarco's Fundão dam, VALE and certain of our officers have been named as defendants in securities class action suits in the Federal Court in New York brought by holders of VALE's American Depositary Receipts under U.S. Federal Securities laws. The suit was brought as a putative class action on behalf of holders of VALE's American Depositary Receipts (“ADRs”), alleging violations of the U.S. Federal Securities laws on the basis of alleged false and misleading statements or omissions concerning the risks of operations of Samarco's Fundão dam and the adequacy of the related programs and procedures.

Notes to the Financial Statements

On March 23, 2017, the judge issued a decision rejecting a significant portion of the claims against VALE and the individual defendants, determining the prosecution of the action with respect to more limited claims. The portion of plaintiffs' case that remains is related to certain statements about procedures, policies and risk mitigation plans contained in VALE's sustainability reports in 2013 and 2014, and certain statements regarding to the responsibility of VALE for the Fundão dam failure made in a conference call in November 2015.

After the Court's order, the parties filed a proposed settlement on February 7, 2020, through which the defendants agreed to pay R\$137 million (US\$25 million) to settle the case. A settlement conference was held on June 10, 2020 to grant the final approval of the settlement. This amount was recognized in VALE's profit or loss under "Equity results and other results in associates and joint ventures".

(iv) Criminal lawsuit

In 2016, the MPF brought a criminal lawsuit against Samarco, its shareholders, VogBr Recursos Hídricos, Geotecnia Ltda. and 22 individuals for the consequences related to the Fundão dam failure. On April 23, 2019, the Federal Court from the 1st Region ("TRF1") issued an Habeas Corpus writ and granted it to dismiss the criminal charges of homicide and physical injuries committed by oblique intent held against one of the defendants on the criminal action. At the same opportunity, the Court extended the writ's issuance to all other defendants on the case as the criminal information does not describe the crimes of homicide and physical injury, but the crime of flooding qualified by the result of death and physical injury as a consequence of the Fundão dam's failure. Therefore, the Court dismissed the homicide and physical injuries charges held against all defendants. Currently, the criminal action is paralyzed due to the judgment of this Habeas Corpus.

After acknowledging the Court's decisions, the Ponte Nova Court changed the process, withdrawing the case from the grand jury and putting it in the ordinary processing. In the same opportunity, the judge ruled to determine the parties to manifest themselves about this process alteration and, after MPF and the defenses presented their petitions, the judge withdrew the charges against VALE and BHP Brasil executives and the accusation withheld for trial for the two companies together with Samarco and its representatives. The accusation of crimes committed against the Environmental Public Administration by VALE and one of its executives also remained unaltered. Additionally, the judge determined precatory letters to be sent to collect the defense witnesses testimonies and opened a 60 day term for the defenses to present a list of questions to be put together with the international cooperation for the testimony of the accusation witnesses residing in Canada.

In March, 2020, the Lower Court at Ponte Nova scheduled hearings to take place in April and May, 2020, to take depositions of those defense witnesses who were able to attend it, but due to the new coronavirus pandemic, all hearings in the country which were previously scheduled to take place in April have been cancelled by an express determination from the National Justice Council. Vale are currently waiting a confirmation from the Courts whether hearings previously scheduled to take place in the next months will be maintained or not.

In July 2020, the Court ruled an appeal filed by VALE and suspended the statute of limitations to maintain the legal entity in the criminal action.

Notes to the Financial Statements

(v) Tax proceedings

In 2018, the Office of the Attorney General for the National Treasury (PGFN) requested a judicial order to secure the payment of alleged federal tax and social security debts regarding Samarco. In May 2019, a favorable decision was issued dismissing the claim without prejudice, due to lack of procedural interest. The PGFN filed an appeal to the Local Court. VALE is waiting for the Court ruling.

b) Brumadinho dam failure

On January 25, 2019, a tailings dam (“Dam I”) failed at the Córrego do Feijão mine, in the city of Brumadinho, state of Minas Gerais. The failure released a flow of tailings debris, destroying some of VALE’s facilities, affecting local communities and disturbing the environment. The tailings released have caused an impact of around 315 km in extension, reaching the nearby Paraopeba River. The dam failure in Brumadinho (“event”) resulted in 270 fatalities or presumed fatalities.

VALE has been taking the necessary actions to support the victims and to mitigate and recover the social and environmental damages resulting from the event, which includes indemnification and donations to those affected by the rupture. In addition, VALE informed the market and Brazilian authorities its decision to speed up the plan to “decharacterize” its tailings dams built under the upstream method (same method as Brumadinho’s dam), certain “centerline structures” and dikes in Brazil. Therefore, VALE recorded a provision to comply with these obligations in the amount of R\$18,665 million on June 30, 2020.

Framework Agreements and donations

VALE has been working together with the authorities and society to remediate the environmental and social impacts of the event. Therefore, VALE has started negotiations and entered into agreements with the relevant authorities and affected people. VALE has also developed studies and projects to ensure geotechnical safety of the remaining structures at the Córrego do Feijão mine, in Brumadinho, and the removal and proper disposal of the tailings, especially alongside the Paraopeba river.

The judge of the 2nd Public Finance Court of Belo Horizonte released R\$500 million on April 1, 2020 and R\$1,000 million on May 15, 2020 from the Company’s judicial deposits. Both amounts were released to the State of Minas Gerais to be used by the State Government on actions against the COVID-19 outbreak, and were considered part of the obligation assumed regarding due social and economic compensation for the Brumadinho dam failure.

In addition, VALE is under negotiations with the Government of the State of Minas Gerais (“GEMG”) and other relevant authorities for an additional agreement for collective damages indemnification and further compensation for the society and environment. The goal of VALE with a potential agreement would be to provide a stable legal framework for the execution of reparation and compensation, with the suspension of the existing civil lawsuits.

The potential agreement is still very uncertain as it is subject to conclusion of the ongoing negotiations and approval by VALE, the Government of the State of Minas Gerais, Public Prosecutors and other Authorities and Intervient parties.

Notes to the Financial Statements

Therefore, the provisions recorded in these interim financial statements do not include the potential outcome of the current negotiation as it is not yet possible to reliably estimate an amount or whether the current negotiations will be successful.

The estimate of the economic impact of a potential agreement will depend on (i) final agreement on the list of reparation and compensation projects, (ii) a detailed assessment of the estimates of the amounts to be spent on the reparation and compensation projects being discussed, (iii) an analysis of the detailed scope of such projects to determine their overlap with the initiatives and amounts already provisioned; and (iv) the timing of the execution of projects and disbursements, which will impact the present value of the obligations.

Based on the current terms under discussion, and preliminary estimates subject to the uncertainties listed above, such possible agreement might result in an additional provision ranging from R\$4 billion to R\$8 billion. All accounting impacts, if any, will be recorded in the period an agreement is reached.

Incurred expenses

VALE has incurred expenses, which do not qualify for provision and have been recognized in the income statement, in the amount of R\$585 million and R\$1,293 million for the three- and six-month periods ended June 30, 2020, respectively, and R\$621 million and R\$1,013 million for the three- and six-month period ended June 30, 2019, respectively. These expenses include communication services, accommodation and humanitarian assistance, equipment, legal services, water, food aid, taxes, among others.

Operation stoppages

VALE has suspended some operations due to judicial decisions or technical analysis performed on its upstream dam structures. VALE recorded losses related to the operational stoppage and idle capacity in the ferrous mineral segment in the amount of R\$557 million and R\$1,279 million in the three- and six-month periods ended June 30, 2020, respectively, and R\$939 million and R\$1,544 million in the three- and six-month periods ended June 30, 2019, respectively. VALE is working on legal and technical measures to resume all operations at full capacity.

Assets write-off

Following the event and the decision to speed up the de-characterization of the upstream dams, VALE recognized a loss of R\$251 million and R\$836 million as “Impairment and disposal of non-current assets” for the three- and six-month periods ended June 30, 2019 in relation to the assets write-off of the Córrego do Feijão mine and those related to the other upstream dams in Brazil. In 2020, VALE did not write-off any asset related to the Brumadinho event.

Contingencies and other legal matters

VALE is subject to significant contingencies due to the Brumadinho dam failure. VALE has already been named on several judicial and administrative proceedings brought by authorities and affected people and is currently under investigation. VALE is evaluating these contingencies and would recognize a provision based on the updates on the stage of these claims.

Notes to the Financial Statements

On April 14, 2020, the judge of the 1st Civil Court of Ouro Preto decided to freeze VALE's resources, in the amount of R\$50 million, as security for the reimbursement of possible losses related to the forced eviction of residents, in the event of a possible failure of the Douror dam.

Following these contingencies, approximately R\$5,160 billion of VALE's assets are restricted as at June 30, 2020, of which approximately R\$507 million of VALE's bank accounts are restricted and R\$4,653 million were converted into judicial deposits.

For the Brumadinho event, the VALE has additional guarantees in the amount of R\$5,677 million and R\$5,714 million in the three- and six-month periods ended June 30, 2020, respectively. The expenses related to these additional guarantees in the amount of R\$10 million and R\$20 million were recorded as financial expense in VALE's income statement for the three- and six-month periods ended June 30, 2020, respectively.

On May 26, 2020, the Public Prosecution Office of Minas Gerais ("MPMG") was granted an injunction for a bank-issued guarantee and/or insurance in the amount of R\$7,932 million, with the purpose of guaranteeing the payment of any fines and possible loss of assets, rights and amounts. After VALE filed an appeal, on July 17, 2020, the Court of Justice of the State of Minas Gerais ("TJMG") maintained its decision to suspend the deadline for VALE to provide the required guarantee, based on the understanding that there are no elements that indicate future risks of non-compliance with a subsequent decision on the lawsuit.

(i) Administrative sanctions

In 2019, VALE was notified of the imposition of administrative fines by the Brazilian Institute of the Environment and Renewable Natural Resources ("IBAMA"), in the amount of R\$250 million.

On July 6, 2020, VALE entered into an agreement with IBAMA, through which R\$150 million will be allocated to environmental projects at 7 parks in the State of Minas Gerais, covering an area of approximately 794,000 hectares, and R\$100 million will be allocated to programs related to public sanitation in the State of Minas Gerais. The amount will be paid into court to be used for these environmental projects after the court's ratification.

Furthermore, in 2019, the Secretary for Environment – SEMA Brumadinho imposed administrative fines, in the total amount of R\$109 million.

On June 30, 2020, both administrative sanctions were recorded under "Liabilities related to Brumadinho".

(ii) U.S. Securities class action suits

VALE and certain of its officers and former officers have been named defendants in civil putative class action suits, under U.S. federal securities laws, brought before federal courts in New York by holders of our securities. These complaints were consolidated through an amended complaint brought by the Lead Plaintiff on October 25, 2019 before the United States District Court for the Eastern District of New York.

Notes to the Financial Statements

The Lead Plaintiff alleges that we made false and misleading statements or omitted to make disclosures concerning the risks of the operations of Dam I in the Córrego do Feijão mine and the adequacy of the related programs and procedures. The Lead Plaintiff has not specified an amount of alleged damages in these actions. On December 13, 2019, the VALE made a motion to dismiss the amended complaint. In January 2020, the Lead Plaintiff filed an opposition to this motion to dismiss. On February 21, 2020, Vale filed a reply to the opposition. On May 20, 2020, the Court partially rejected our preliminary defense. However, this decision also excluded several requests filed by the Lead Plaintiff, thus reducing the scope of the lawsuit. On June 3, 2020, VALE filed a motion for reconsideration regarding the Court's decision. On June 17, 2020, the Lead Plaintiff filed an opposition to our motion for reconsideration. The judge's decision on our motion for reconsideration is currently pending.

VALE will continue to defend against this action and strongly oppose to all the claims. Based on the assessment of the VALE's legal consultants and given its preliminary status, the expectation of loss of this proceeding is classified as possible. However, given the preliminary status of the action, it is not possible at this time to determine a reliable estimate of the potential exposure.

Insurance

VALE is negotiating the payment of insurance proceeds with insurers under its operational risk and civil liability. However, these negotiations are still at a preliminary stage. Therefore, any payment of insurance proceeds will depend on the coverage definitions under these policies and assessment of the amount of loss. Due to uncertainties, no indemnification to the VALE was recognized in its interim financial statements.

VALE is a publicly-held company and, accordingly, it files its information with the CVM. Therefore, more information, as of June 30, 2020 and December 31, 2019, is available on www.cvm.gov.br.

Other information that the Company Considers Relevant

SHAREHOLDERS WITH OVER 5% OF THE SHARES OF EACH TYPE AND CLASS - ITR

SHAREHOLDING POSITION OF HOLDERS OF OVER 5% OF THE SHARES OF EACH TYPE AND CLASS OF THE COMPANY, TO THE LEVEL OF INDIVIDUALS						
Company: BRADESPAR S.A.						Position on June 30, 2020 (In [Units] Shares)
Shareholder	Common Shares		Preferred Shares		Total	
	Quantity	%	Quantity	%	Quantity	%
Cidade de Deus - Cia. Cial de Participações	44,883,224	36.7379	301,410	0.1334	45,184,634	12.9828
NCF Participações S.A.	30,388,376	24.8735	2,235,627	0.9898	32,624,003	9.3738
Fundação Bradesco	18,179,304	14.8802	-	-	18,179,304	5.2234
BlackRock, Inc. (Funds)	-	-	11,614,474	5.1423	11,614,474	3.3372
Fundo de Investimento Geração Futuro LPAR	-	-	13,069,600	5.7865	13,069,600	3.7553
BTG Pactual	77,000	0.0630	15,910,250	7.0442	15,987,250	4.5936
Treasury shares	-	-	-	-	-	-
Other Shareholders	28,643,545	23.4454	182,731,235	80.9037	211,374,780	60.7339
Total	122,171,449	100.00	225,862,596	100.00	348,034,045	100.00

DISTRIBUTION OF THE SHARE CAPITAL OF THE LEGAL ENTITY (SHAREHOLDER OF THE COMPANY), TO THE LEVEL OF THE INDIVIDUAL						
Name: CIDADE DE DEUS CIA. COMERCIAL DE PARTICIPAÇÕES						Position on June 30, 2020 (In [Units] Shares)
Shareholder	Common Shares		Preferred Shares		Total	
	Quantity	%	Quantity	%	Quantity	%
Nova Cidade de Deus Particip. S.A	3,755,570,513	47.8907	-	-	3,755,570,513	47.8907
Fundação Bradesco	2,776,765,252	35.4091	-	-	2,776,765,252	35.4091
Maria Ângela Aguiar	411,197,692	5.2436	-	-	411,197,692	5.2436
Others	898,426,067	11.4567	-	-	898,426,067	11.4567
Total	7,841,959,524	100.00	-	-	7,841,959,524	100.00

DISTRIBUTION OF THE SHARE CAPITAL OF THE LEGAL ENTITY (SHAREHOLDER OF THE COMPANY), TO THE LEVEL OF THE INDIVIDUAL						
Name: NOVA CIDADE DE DEUS PARTICIPAÇÕES S.A.						Position on June 30, 2020 (In [Units] Shares)
Shareholder	Common Shares		Preferred Shares		Total	
	Quantity	%	Quantity	%	Quantity	%
Fundação Bradesco	163,332,621	46.3016	373,794,914	100.00	537,127,535	73.9282
BBD Participações S.A.	189,425,112	53.6984	-	-	189,425,112	26.0718
Total	352,757,733	100.00	373,794,914	100.00	726,552,647	100.00

DISTRIBUTION OF THE SHARE CAPITAL OF THE LEGAL ENTITY (SHAREHOLDER OF THE COMPANY), TO THE LEVEL OF THE INDIVIDUAL						
Name: NCF PARTICIPAÇÕES S.A.						Position on June 30, 2020 (In [Units] Shares)
Shareholder	Common Shares		Preferred Shares		Total	
	Quantity	%	Quantity	%	Quantity	%
Fundação Bradesco	423,598,233	25.1288	1,502,370,308	100.00	1,925,968,541	60.4116
Cidade de Deus - Cia. Cial de Participações	1,259,587,222	74.7216	-	-	1,259,587,222	39.5093
Nova Cidade de Deus Particip. S.A.	2,521,897	0.1496	-	-	2,521,897	0.0791
Total	1,685,707,352	100.00	1,502,370,308	100.00	3,188,077,660	100.00

Other information that the Company Considers Relevant

DISTRIBUTION OF THE SHARE CAPITAL OF THE LEGAL ENTITY (SHAREHOLDER OF THE COMPANY), TO THE LEVEL OF THE INDIVIDUAL						
Name: BBD PARTICIPAÇÕES S.A.					Position on June 30, 2020 (In [Units] Shares)	
Shareholder	Common Shares		Preferred Shares		Total	
	Quantity	%	Quantity	%	Quantity	%
NCD Participações Ltda	-	-	74,784,306	49.3801	74,784,306	24.1960
Treasury	59,966,105	38.0421	20,471,805	13.5175	80,437,910	26.0252
Luiz Carlos Trabuco Cappi	9,969,843	6.3248	283,407	0.1871	10,253,250	3.3174
Carlos Alberto Rodrigues Guilherme	9,650,402	6.1222	252,382	0.1666	9,902,784	3.2040
Milton Matsumoto	9,333,943	5.9214	252,334	0.1666	9,586,277	3.1016
Others	68,710,484	43.5895	55,401,899	36.5819	124,112,383	40.1558
Total	157,630,777	100.00	151,446,133	100.00	309,076,910	100.00

POSITION OF CONTROLLING SHAREHOLDERS, THE MANAGEMENT AND OUTSTANDING SHARES

CONSOLIDATED SHAREHOLDING OF CONTROLLING SHAREHOLDERS AND MANAGEMENT AND OUTSTANDING SHARES						
Position on June 30, 2020						
Shareholder	Number of Common Shares (In Units)	%	Number of Preferred Shares (In Units)	%	Total Number of Shares (In Units)	%
Controlling Shareholder	95,125,912	77.8626	2,537,037	1.1233	97,662,949	28.0613
Management						
Board of Directors	465,120	0.3807	1,249,895	0.5534	1,715,015	0.4928
Executive Board	-	-	-	-	-	-
Fiscal Council	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-
Other Shareholders	26,580,417	21.7567	222,075,664	98.3233	248,656,081	71.4459
Total	122,171,449	100.00	225,862,596	100.00	348,034,045	100.00
Outstanding Shares	26,580,417	21.7567	222,075,664	98.3233	248,656,081	71.4459

CONSOLIDATED SHAREHOLDING OF CONTROLLING SHAREHOLDERS AND MANAGEMENT AND OUTSTANDING SHARES						
Position on June 28, 2019 (LTM)						
Shareholder	Number of Common Shares (In Units)	%	Number of Preferred Shares (In Units)	%	Total Number of Shares (In Units)	%
Controlling Shareholder	95,125,912	77.8626	2,537,037	1.1233	97,662,949	28.0613
Management						
Board of Directors	565,120	0.4626	1,220,742	0.5405	1,785,862	0.5131
Executive Board	-	-	-	-	-	-
Fiscal Council	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-
Other Shareholders	26,480,417	21.6748	222,104,817	98.3363	248,585,234	71.4256
Total	122,171,449	100.00	225,862,596	100.00	348,034,045	100.00
Outstanding Shares	26,480,417	21.6748	222,104,817	98.3363	248,585,234	71.4256

Unqualified Special Review Report Report on review of quarterly information

To the Board of Directors and Stockholders
Bradespar S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Bradespar S.A. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended June 30, 2020, comprising the statement of financial position at that date and the statements of income and comprehensive income for the quarter and semester then ended and the statement of changes in equity and cash flows for the semester then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company and consolidated interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC) and International Accounting Standard (IAS) 34, Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Emphasis of matter

Brumadinho's dam failure in the investee, Vale S.A.

We draw attention to Note 18 II (b) to the consolidated and parent company interim accounting information that describes the actions taken by the investee, Vale S.A., and the impacts on its interim accounting information as a consequence of the Brumadinho's Dam failure. As disclosed by management of the investee, Vale S.A. has incurred costs and recorded provisions based on its best estimates and assumptions. Given the nature and uncertainties inherent in this type of event, the amounts recognized and/or disclosed by the investee will be reassessed and may be adjusted significantly in future periods, as new facts and circumstances become known. Our conclusion is not qualified in relation to this matter.

Other matters

Statements of value added

The quarterly information referred to above includes the parent company and consolidated statements of value added for the semester ended June 30, 2020. These statements are the responsibility of the Company's management and are presented as supplementary information under IAS 34. These statements have been subjected to review procedures performed together with the review of the quarterly information for the purpose of concluding whether they are reconciled with the interim accounting information and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in the accounting standard CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that these statements of value added have not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and consistent with the parent company and consolidated interim accounting information taken as a whole.

São Paulo, August 12, 2020

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Luís Carlos Matias Ramos
Contador CRC 1SP171564/O-1

Report of the Fiscal Council or Similar body

Fiscal Council report

The members of the Fiscal Council of Bradespar SA, in the exercise of its legal and statutory duties, has reviewed the Management Comments on the performance of the Company and the Separate and Consolidated Financial Statements for the 2020 second quarter under the Review Report prepared by PriceWaterhouseCoopers Auditores Independentes on the aforementioned Financial Statements, presented without caveat, and are of the opinion that the aforementioned documents, reviewed under the accounting practices adopted in Brazil and the current corporate law, have been prepared and presented in accordance with standards issued by the Securities and Exchange Commission, properly reflecting the financial position of the Company.

Osasco, SP, August 12, 2020

Members of Audit Council

- Ariovaldo Pereira
- Carlos Eduardo Teixeira Taveiros
- João Batista de Moraes
- João Carlos de Oliveira
- Ricardo Reisen de Pinho

Officers` Statement on the Financial Statementes

Declaration of the CEO and Investor Relations Officer

I, Fernando Jorge Buso Gomes, represent that:

1. based on my knowledge, the planning presented by the auditors and subsequent discussions on the audit results, I agree with the opinions expressed in the report prepared by PricewaterhouseCoopers Auditores Independentes, with no disagreement; and

2. I reviewed the report of Bradespar's Financial Statements for the period closed June 30, 2020, and based on subsequent discussions, I agree that these Statements adequately reflect all relevant aspects and the financial and equity position corresponding to the period presented.

São Paulo, SP, August 12, 2020.

Fernando Jorge Buso Gomes
CEO and investors Relation Officer

Officers` Statement on the Financial Statements

I, Johan Albino Ribeiro, represent that:

1. based on my knowledge, the planning presented by the auditors and subsequent discussions on the audit results, I agree with the opinions expressed in the report prepared by PricewaterhouseCoopers Auditores Independentes, with no disagreement; and
2. I reviewed the report of Bradespar's Financial Statements for the period closed June 30, 2020, and based on subsequent discussions, I agree that these Statements adequately reflect all relevant aspects and the financial and equity position corresponding to the period presented.

São Paulo, SP, August 12, 2020.

Johan Albino Ribeiro
Officer