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## Clarification on the Vargem Grande, Grupo and Forquilha I, II and III dams

With regards to recommendation No 21/2019 issued by the Public Prosecutor's Office of the State of Minas Gerais and considering the dynamics of the facts taking place on February 20th, 2019, this press release is intended to replace the previous press releases related with the Vargem Grande, Grupo and Forquilha I, II and III tailings dams (jointly referred to as "the Dams"), as well as the Vargem Grande Complex and the Fábrica Complex, so as to bring consolidated and updated information.

Vale thus narrates the events in their chronological sequence and presents additional clarification to bring transparency forth to the population and the market.

On February 4th, 2019 (and again on February 20th, 2019), Vale disclosed its intention to advance the decommissioning process of all upstream dams, including the above-mentioned Dams. This decision sought to address the ongoing concerns about overall dam safety in the State of Minas Gerais.

On February 18th, 2019, Brazil's National Mining Agency ("ANM" - Agência Nacional de Mineração) published the new Resolution No 4, opening it up to public consultation. Conducted by Vale's hired technicians, preliminary analyses of the Dams indicated that some of those dam safety parameters could potentially be lower than what the new Resolution recommended.

Once that possibility was confirmed, and in order to reinforce the previous decision to decommission all upstream dams, Vale decided to promote an orderly evacuation of the Dams' Self-Saving Zones ("ZAS" - Zonas de Autossalvamento) and has therefore raised alert to Level 1 in the morning of February 20th, 2019, and in the afternoon of the same day to Level 2 (according to classification used by the ANM's Information System of Mining Dams, SIGBM - Sistema de Informações de Barragens de Mineração).

Later on the same day, February 20th, Vale proceeded to remove the population from those areas. According to provisions in the Emergency Action Plan for Mining Dams ("PAEBM" - Plano de Ação de Emergência de Barragens de Mineração), as alert is raised to Level 2, a sound alert system was triggered during the evacuation process, as indicated to the market on that day.

In face of those events, the ANM promoted inspections to the sites, still on February 20th, 2019, and determined the suspension of activities at the entire Vargem Grande Complex and Fábrica mine, to prevent occasional triggers that could affect Dam stability as a result of ongoing activities on the site. This fact was communicated to the market on February 20th, 2019.

Vale points out that the Dams (Vargem Grande, Grupo and Forquilha I, II and III) are still classified as alert Level 2, though their stability reports remain valid as confirmed by independent auditors, in compliance with ANM requirements

More information

