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2Q17 Production Report

The Northern System, which comprises the Carajás, Serra Leste and S11D mining areas, achieved a production record of 41.5 Mt in 2Q17

Vale iron ore production achieved a record for a second quarter of 91.8 Mt in 2Q17, 5.8% higher than in 2Q16, mainly due to the ramp-up of S11D in the Northern System.

The Northern System, which comprises the Carajás, Serra Leste and S11D mining areas, achieved a production record of 41.5 Mt in 2Q17, 13.7% higher than in 2Q16 as a result of the S11D ramp-up, which is advancing according to plan.

Blended volumes in Asia totaled 14.8 Mt in 2Q17, 9.8 Mt and 3.7 Mt higher than in 2Q15 and 2Q16, respectively, as a result of the ongoing strategy to bring more flexibility to the integrated supply chain by increasing offshore blending capacity, thus enabling rapid responses to changes in market conditions.

Iron ore production will be within the lower end of the 360-380 Mt guidance range for 2017, and in line with the ongoing strategy to maximize margins.

Nickel production reached 65,900 t in 2Q17, 7.7% lower than in 1Q17 and 16.1% lower than in 2Q16, mainly due to the rebuilding of furnace #2 in advance of the transition to a single furnace operation and the scheduled maintenance shutdown in Sudbury.

Copper production was 100,800 t in 2Q17, being 6.2% and 4.6% lower than in 1Q17 and 2Q16, respectively. The decrease was mainly due to lower production in Sudbury as a result of the scheduled maintenance shutdown at the surface plants and mines.

Production of copper in concentrate at Salobo reached a record for a second quarter of 46,000 t, 13.0% higher than in 2Q16, mainly due to higher feed grades and stronger plant performance in 2Q17.

We are revising our nickel production guidance to 295,000 t in 2017, reflecting weaker than planned production results at our operations in Thompson, New Caledonia and Indonesia. For both finished production from New Caledonia and Indonesia, there is a lag in the impact of the weaker site production as the material is processed to finished product at our Asian refineries. Our revised copper production guidance is 447,000 t in 2017, reflecting the impact of unplanned maintenance in the mines in Sudbury, lower third party copper ore deliveries and higher than planned grade variability in Salobo.

Coal production in Mozambique reached a quarterly record of 3.0 Mt in 2Q17, 24.8% and 101.8% higher than in 1Q17 and 2Q16, respectively, with two thirds of total production being of metallurgical coal. Logistics operations in Mozambique reached all-time records, with railed volume[2] reaching 3.1 Mt in 2Q17, 15% higher than in 1Q17.

For full report, please [click here](#)

More information



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