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3Q20 Production and Sales Report

**Iron Ore:
solid output
of 88.7Mt, + 21Mt
q/q, up 31.2%**

**Northern System:
all-time
production record
of 56.9Mt**

**Base Metals:
maintenance has
enabled a strong
4Q20 start**

**COVID-19:
world-class
safety standards
in place and low
absenteeism**

Vale is evolving with its stabilization plan and delivered a strong iron ore production in 3Q20. Nickel and Copper businesses managed to recover productivity for a solid start in 4Q20, after normalizing routine maintenance in the quarter. Results were enabled by the workforce commitment to the company's safety standards and strict operational discipline, following the continuous implementation of the Vale Production System (VPS).

Vale's iron ore fines production¹ totalled 88.7 Mt, an increase of 21.1 Mt compared to the previous quarter. The production record of 56.9 Mt in a quarter was reached in the Northern System, with August as the best month with 19.7 Mt. S11D had a record production in September, with 8.3Mt, and in the quarter, with 24.4 Mt.

The Southern and Southeastern Systems overall performance improved across operating units, notably in the Itabira Complex and Timbopeba mine (running for a full quarter given the resumption in June) and with the resumption of operations at Fazendão mine in July.

Iron ore production was maintained at around 1 Mtpd² after mid-July, showing consistency and stability throughout almost the entire quarter. Operations have achieved increased rates and stability with safety, based on the progressive implementation of the VPS and measures like the Safe Work Permission (PTS), which are essential to transform Vale's culture into one driven to safety and operational excellence. All operations were also favoured by regular weather conditions for the period.

Vale's pellet production totalled 8.6 Mt in 3Q20, up 21.1%, mainly due to higher availability of pellet feed, especially from the Itabira Complex, and improved operational performance at the pelletizing plants.

Sales volumes of iron ore fines and pellets, with a premium of US\$ 4.6/t³, reached 74.2 Mt in 3Q20, an increase of 20.4%. The logistics lead time between production and CFR sales started to normalize in September, as Vale was transiting inventories across its supply chain, with total sales of 28.6 Mt, and the performance is expected to improve even further in 4Q20, subject to Vale's approach based on margin maximization, prioritizing blended products in the company's portfolio.

Production of finished nickel was of 47.1 kt in 3Q20, while sales volumes reached 58.2 kt, an increase of 37.3%, as a result of better prices in the quarter and more stable market conditions. Production in 3Q20 was influenced mainly by (i) maintenance work rescheduled from 1Q20 and 2Q20 to 3Q20 in North Atlantic operations, which will pave the way for higher production rates going into the fourth quarter, (ii) a longer route to market associated with PTVI's product portfolio

management and (iii) a temporarily spike in VNC source production in 2Q20 as all of the remaining nickel oxide feed inventory was processed in that quarter.

Copper production reached 87.6 kt in 3Q20, higher than the previous quarter, mainly due to the successful resumption of Voisey's Bay operations after the care and maintenance period in 2Q20, and stronger performance at South Atlantic operations. A stronger performance is expected in 4Q20 at South Atlantic operations with the reduction of COVID-19-related impacts on operations and maintenance routines.

Coal production restarted in July, after decelerating since April and temporarily stopping in June, given strong slowdown in demand. Production in 3Q20 reached 1.4 Mt and, as the flow of goods, services and people start to normalize in the region, Vale mobilizes teams to resume the 3-month maintenance plan revamp in November 2020, after which a ramp up to 15 Mtpy run-rate production is expected.

Production summary

000' metric tons	3Q20	2Q20	3Q19	9M20	9M19	% change		
						3Q20/2Q20	3Q20/3Q19	9M20/9M19
Iron ore ¹	88,676	67,598	86,704	215,877	223,628	31.2%	2.3%	-3.5%
Pellets	8,562	7,070	11,133	22,559	32,378	21.1%	-23.1%	-29.5%
Manganese Ore	109	149	443	621	1,126	-26.8%	-75.4%	-44.9%
Coal	1,402	1,283	2,351	4,648	6,935	9.3%	-40.4%	-33.0%
Nickel	47.1	59.4	51.4	159.7	151.2	-20.7%	-8.4%	5.6%
Nickel Ex-VNC	38.6	49.0	45.0	132.8	132.6	-21.2%	-14.2%	0.2%
Copper	87.6	84.5	98.7	266.6	290.8	3.7%	-11.2%	-8.3%
Cobalt (metric tons)	1,223	1,318	1,009	3,730	3,236	-7.2%	21.2%	15.3%
Gold (000' oz troy)	116	114	122	349	349	1.8%	-4.9%	0.0%

¹ Including third party purchases, run-of-mine and feed for pelletizing plants.

Sales summary

000' metric tons	3Q20	2Q20	3Q19	9M20	9M19	% change		
						3Q20/2Q20	3Q20/3Q19	9M20/9M19
Iron ore ¹	65,769	54,615	74,039	172,040	191,400	20.4%	-11.2%	-10.1%
Pellets	8,464	6,950	11,077	22,725	32,233	21.8%	-23.6%	-29.5%
Manganese Ore	428	270	150	917	493	59.5%	185.3%	86.0%
Coal	1,381	1,385	2,254	4,332	6,741	-0.3%	-38.7%	-35.7%
Nickel	58.2	42.4	50.9	144.8	158.6	37.3%	14.3%	-8.7%
Copper	80.6	83.5	92.0	253.3	277.4	-3.5%	-12.4%	-8.7%

¹ Including third party purchases and run-of-mine.

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[1] Including third party purchases, run-of-mine and feed for pelletizing plants. Vale's product portfolio Fe content reached 63.5%, alumina 1.4% and silica 3.9%.

[2] Mtpd stands for million tons per day.

[3] Iron ore premium of US\$ 3.7/t and weighted average contribution of pellets of US\$ 0.9/t.

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