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## Production Report 3Q19

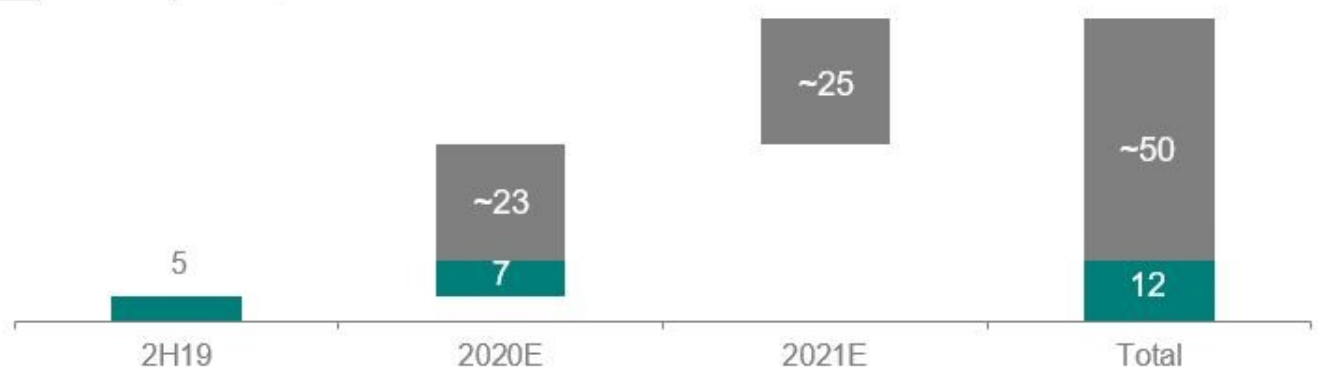
Vale iron ore fines production and sales had a significant increase in 3Q19, as a result of the continuous progress in the resumption of operations in the Southern and Southeastern Systems and also due to the strong operational performance and shipments normalization in the Northern System.

Iron ore fines production[1] reached 86.7 Mt in 3Q19, 35.4% higher than 2Q19. The resumption of Brucutu operations and the partial resumption of the dry processing operations at the Vargem Grande Complex, announced in June and July, respectively, contributed to this result.

Vale expects to resume the remaining production of approximately 50 Mt by 2021, as several milestones were achieved and others are ongoing, including the approval of trigger tests on the mines to resume dry processing operations and the authorization of trigger tests at the TFA Rail Terminal (Terminal Ferroviário de Andaime), an important step toward debottlenecking the Vargem Grande Complex logistics.

### Additional iron ore production from halted operations Mt

-  Resumption of dry processing operations at Vargem Grande Complex (12 Mtpy)
-  Remaining halted operations



The Northern System showed strong operational performance with a production volume of 55.4Mt in 3Q19, 33.3% higher than 2Q19 and 2.7% higher than 3Q18, including S11D's production record of 20.4 Mt, following its successful ramp-up. Vale expects to produce 90 Mt in S11D in 2020.

Vale's pellet production[2] amounted to 11.1 Mt in 3Q19, 22.7% higher than 2Q19, mainly due to higher productivity from pellet plants after a maintenance period in 2Q19 and to the resumption of Brucutu operations, which increased the quality of pellet feed supplied to Southeastern System plants.

Aligned with the margin over volume strategy and to meet prevailing market conditions, on September 26th, 2019, Vale revised its 2019 pellets production guidance to 43 Mt from the 45 Mt previously announced.

Iron ore fines and pellet sales volume amounted to 85.1 Mt in 3Q19, 20.2% higher than 2Q19 as a result of the above mentioned production resumption. Vale reaffirms its 2019 iron ore and pellets sales guidance of 307-332 million tons, with sales estimated to be around the midpoint of the range.

Finished nickel production reached 51.4 kt in 3Q19, 14.2% higher than in 2Q19, as operations gradually returned to regular rates over 3Q19, after scheduled and unscheduled maintenance at the refineries at in the North Atlantic and Asia. In Brazil, the judicial authorization to resume both mining and processing operations at Onça Puma, granted in September, was another milestone achieved towards production stability. As all refineries should operate at regular rates for the full fourth quarter and with Onça Puma's resumption, a stronger production upcoming quarter is expected.

Copper production reached 98.3 kt in 3Q19, in line with 2Q19 and 4.0% higher than 3Q18. Salobo continues to show strong operational performance, with an all-time monthly production record in July, totalling 50.9 kt in the quarter, 11.4% higher than 2Q19, mainly due to higher grades and high productivity at the mine and processing plants.

## Production summary

000' metric tons	3Q19	2Q19	3Q18	9M19	9M18	% change		
						3Q19/2Q19	3Q19/3Q18	9M19/9M18
Iron ore <sup>1</sup>	86,704	64,507	104,945	223,631	283,652	35.4%	-17.4%	-21.2%
Pellets	11,133	9,071	13,878	32,378	39,497	22.7%	-19.8%	-18.0%
Manganese Ore	443	318	482	1,126	1,336	39.3%	-8.1%	-15.7%
Coal	2,351	2,370	3,194	6,935	8,497	-0.8%	-26.4%	-18.4%
Nickel	51.4	45.0	55.7	151.2	180.6	14.2%	-7.7%	-16.3%
Copper	98.3	98.3	94.5	290.4	285.7	0.0%	4.0%	1.6%
Cobalt (metric tons)	1,009	1,032	1,028	3,236	3,657	-2.2%	-1.8%	-11.5%
Gold (000' oz troy)	122	119	117	349	344	2.5%	4.3%	1.5%

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

## Sales summary

000' metric tons	3Q19	2Q19	3Q18	9M19	9M18	% change		
						3Q19/2Q19	3Q19/3Q18	9M19/9M18
Iron ore <sup>1</sup>	74,039	61,945	83,976	191,400	228,486	19.5%	-11.8%	-16.2%
Pellets	11,077	8,842	14,250	32,223	40,606	25.3%	-22.3%	-20.6%
Manganese Ore	150	92	553	494	1,130	63.0%	-72.9%	-56.3%
Coal	2,254	2,093	3,195	6,741	8,201	7.7%	-29.4%	-17.8%
Nickel	50.9	57.5	57.3	158.6	176.8	-11.5%	-11.2%	-10.3%
Copper	92.0	95.0	92.4	277.4	274.8	-3.2%	-0.4%	0.9%

<sup>1</sup> Including third party purchases and run-of-mine.

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