CREDIT OPINION

26 February 2026

Update

Samarco Mineracao S.A.

Annual update to credit analysis

Summary

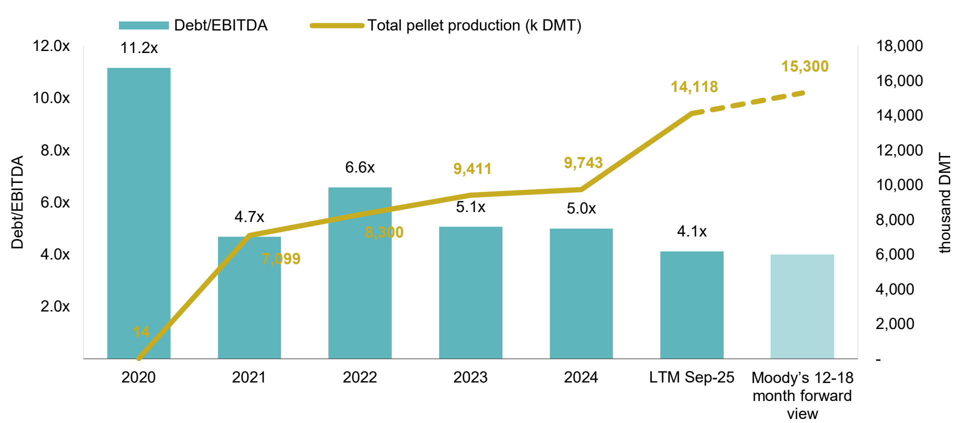
Samarco Mineração S.A.'s (Samarco) B2 ratings and positive outlook reflect the company's significantly stronger operating performance following the completion of its Phase 2 ramp-up in July 2025, which increased pellet production volumes (see Exhibit 1), reduced cash costs and strengthened cash flow generation. The company's credit quality has improved further following its exit from judicial recovery in August 2025, enhancing financial flexibility while preserving key creditor protections within the bond indentures.

The ratings remain constrained by Samarco's still limited cash flow generation given the company's still limited production capacity, its exposure to volatility in iron ore pellet prices, and residual environmental and social risks related to the 2015 tailings dam failure. These risks are mitigated by capped remediation cash outflows through 2030, solid liquidity, and strong ownership by the shareholders BHP Group Limited (BHP, A1 stable) and Vale S.A. (Baa2 stable).

Exhibit 1

Samarco's leverage declines as production volumes increase

Moody's-adjusted figures



All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.
The forecasts are Moody's opinion and do not represent the views of the issuer.
Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

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RATINGS

Samarco Mineracao S.A.

Domicile	Belo Horizonte, Minas Gerais, Brazil
Long Term Rating	B2
Type	LT Corporate Family Ratings
Outlook	Positive

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

Credit strengths

» Strong ownership by Vale and BHP

» Successful completion of the Phase 2 ramp-up, improving scale and cost efficiency

» Competitive cash cost position following higher capacity utilization

» Improved financial flexibility following exit from judicial recovery

» Clear path to full operational recovery by 2028

Credit challenges

» Legacy environmental and social liabilities related to the 2015 tailings dam incident

» Execution risk associated with Phase 3 development and ramp-up, and higher capital spending

» Exposure to volatility in iron ore pellet prices and limited diversification

Rating outlook

The positive rating outlook reflects our expectation that Samarco's operations will continue to improve as the company builds a track record of operating two concentrators and reduces costs over time, further strengthening its cash flow generation. The positive outlook also reflects Samarco's financial strategy and capital allocation as stated in the judicial recovery plan, which allows the company to meet debt obligations while continuing to invest in operations.

Factors that could lead to an upgrade

A rating upgrade would require Samarco to expand its scale, allowing for higher fixed-cost dilution through the ramp-up of its operations, thereby strengthening its cash flow and reducing leverage. Quantitively, an upgrade would require the company to:

» generate positive free cash flow (FCF) on a sustained basis

» maintain leverage below 4x

Factors that could lead to a downgrade

Samarco's ratings could be downgraded if its profitability and cash generation capacity deteriorate significantly due to a decline in metal prices (iron ore pellets) or significantly lower production volumes, or the company is not able to fulfill the conditions stated in the judicial recovery plan concerning the changes in its capital structure. Quantitatively, a downgrade could be triggered if:

» leverage stays above 4.5x on a sustained basis

» EBIT margins fall below 10%

Key indicators

Exhibit 2
Samarco Mineração S.A.

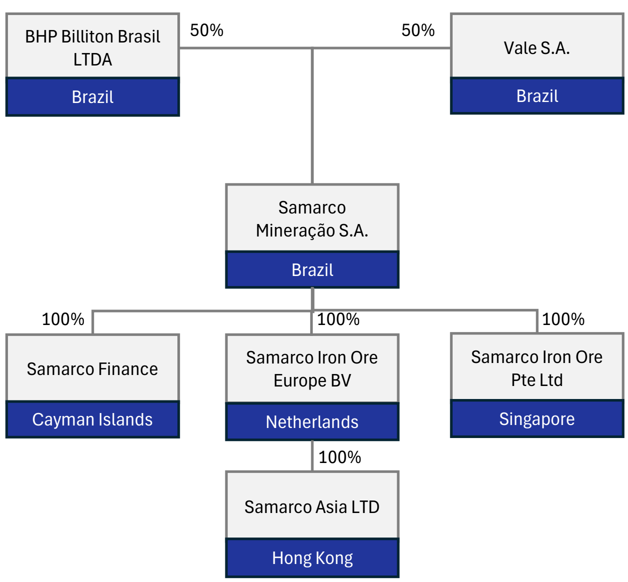
(in $ millions)	2021	2022	2023	2024	LTM Sep-25	Moody's 12-18 month forward view
Revenue	1,656.3	1,580.6	1,521.1	1,455.5	1,722.2	1,900.0 - 2,000.0
EBIT Margin	74.1%	56.7%	41.6%	51.0%	56.2%	45.0% - 55.0%
(EBITDA - Capex) / Interest E	3.7x	1.2x	1.2x	1.0x	1.1x	1.3x - 1.7x
Debt / EBITDA	4.7x	6.6x	5.1x	5.0x	4.1x	4.0x - 4.5x
RCF / Debt	-3.9%	-2.0%	48.5%	-21.2%	-31.6%	10.0% - 25.0%

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.
The forecasts are Moody's opinion and do not represent the views of the issuer.
Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Profile

Headquartered in Minas Gerais, Samarco Mineração S.A. is a 50:50 joint venture between mining companies Vale S.A. and BHP Billiton Brasil Ltda., an indirect subsidiary of BHP Group Limited (see Exhibit 3). The company is a major exporter of seaborne iron ore pellets, operating an integrated mining and pelletizing system located in the states of Minas Gerais and Espírito Santo. Samarco has a nominal production capacity of around 27 million tons per year. Operations were suspended after the November 2015 tailings dam incident and resumed in December 2020. Full capacity is anticipated to be achieved in 2028. For the 12 months that ended September 2025, Samarco reported net operating revenue of about $1.7 billion.

Exhibit 3
Samarco's organizational structure
As of December 2025



Sources: Company presentation and Moody's Ratings

Detailed credit considerations

Shareholder commitment underpins operational continuity and environmental obligations

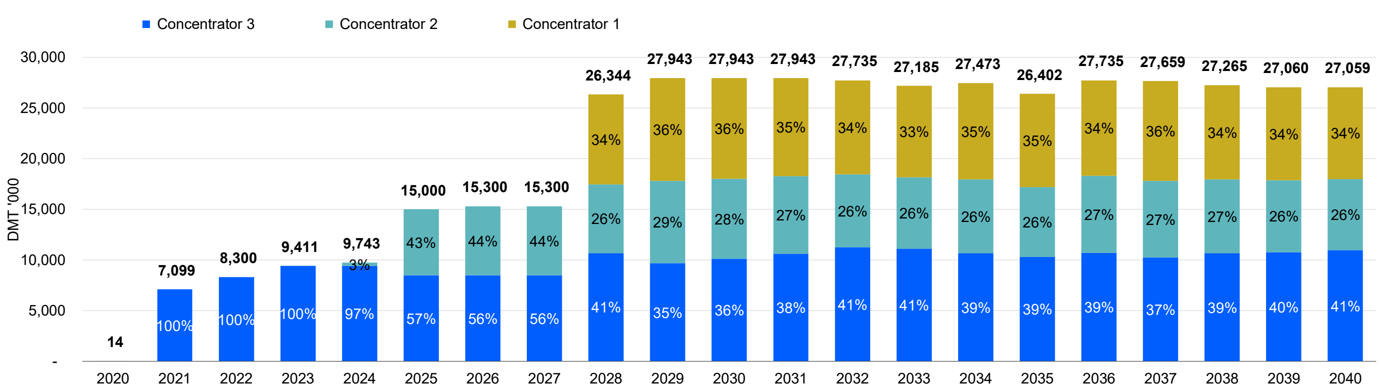
Samarco is a strategically important, world-class asset for both Vale and BHP, and its ownership structure continues to provide substantial support to the company's operations and long-term viability. Since the establishment of the joint venture in 1973 and start-up of the operations in 1977, Samarco has historically generated solid operating cash flow and has been an important source of dividends for both shareholders. Vale and BHP have also demonstrated financial flexibility by allowing reduced dividend distributions during periods of elevated capital spending or weaker commodity prices, supporting Samarco's growth and resilience across the cycle.

Following the 2015 tailings dam incident, Samarco's shareholders have continued to support the company, particularly in relation to the remediation and compensation efforts. Under the agreements governing the incident, Vale and BHP are jointly responsible for funding obligations that exceed Samarco's capped contributions. The shareholders' role in addressing environmental liabilities and supporting affected communities remains a key factor in mitigating Samarco's credit risks.

Improvement in operating performance supported by higher volumes will increase cash flow generation

The completion of Phase 2 ramp-up in July 2025 significantly improved Samarco's operating and financial performance. Pellet production increased to around 14 million tons in the 12 months that ended September 2025 from about 10 million tons in 2024, supporting EBITDA margins in the mid-50% range (see Exhibit 4). Higher production volumes also allowed for higher fixed-cost dilution, reducing C1 cash costs to around $42 per ton in the third quarter of 2025, from about $51 per ton in full-year 2024, substantially strengthening margins. As a result, EBITDA rose to roughly $1.1 billion from $891 million over the same period, while operational FCF (excluding socio-environmental liabilities) improved to about $954 million from $670 million. Samarco anticipates that full production of around 27 million tons per year will be achieved in 2028, supported by the startup of the third concentrator under the already approved Phase 3 project.

Exhibit 4
Samarco will reach full capacity in 2028, according to the capital spending plan
In dry metric tonnes (DMT)



Sources: Company filings and Moody's Ratings

Moreover, the decharacterization of the Germano dam represents a key step in Samarco's ongoing risk-reduction strategy following the 2015 tailings dam failure. As of September 2025, physical progress on the project had reached around 95%, supported by more than $700 million of cumulative investments since 2019. Samarco has brought forward the expected completion of the decharacterization to 2026 from an earlier timeline of 2029, reflecting execution progress and the use of alternative tailings management solutions.

The completion of the Germano dam decharacterization will reduce Samarco's environmental and operational risks significantly by eliminating reliance on tailings dams and supporting the transition toward dry stacking technologies. This milestone should also reduce the risk of environmental liabilities and contribute to greater operational stability as Samarco continues its production ramp-up.

Early conclusion of judicial recovery plan brings more financial flexibility to the company

Samarco concluded its judicial recovery process in August 2025, which enhanced Samarco's financial flexibility, facilitating access to bank facilities and supporting the execution of its operational ramp-up and investment plans. At the same time, the company continues to benefit from the structural protections established under the recovery plan and embedded in the bond indentures, which limit risks for creditors. Importantly, Samarco's capital structure remains protected by capped cash outflows related to remediation and compensation programs, while the debt maturity profile remains long-dated, with no material amortization until 2031. Interest payments transition gradually from payment-in-kind (PIK) to cash beginning in 2026, broadly aligned with the strengthening of its operating cash flow. In 2026 and 2027, Samarco has the option to pay interest through a combination of PIK and cash. Starting in 2028, all interest will be paid in cash. Together, these features support adequate liquidity, reduce refinancing risk, and allow Samarco to fund growth and environmental commitments without weakening its credit profile.

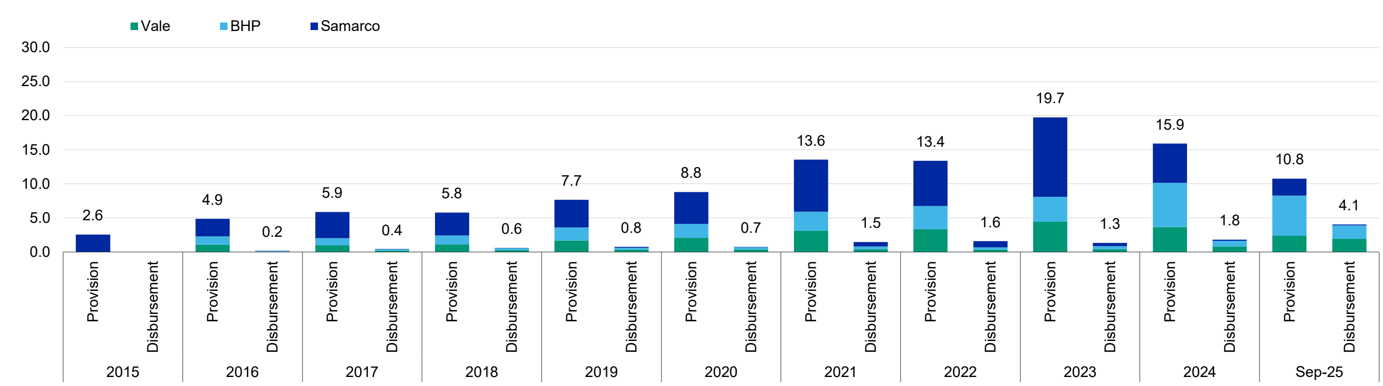
Liabilities and cash outflows related to the 2015 dam collapse can be met under the current capital structure and capped framework

The definitive settlement reached in October 2024 in connection with the 2015 Fundão tailings dam collapse provides long-term visibility into Samarco's remediation and compensation obligations, and reduces uncertainty around future cash outflows significantly. Importantly, Vale and BHP will equally share the portion of obligations that Samarco cannot meet through equity contributions, further limiting the risk that these obligations translate into higher debt levels at Samarco.

Although Samarco is the primary obligor under the agreement, the 2031 bond indenture limits cash contributions related to remediation and compensation liabilities at $1 billion through 2030, comprising payments of $200 million per year through 2026 and $100 million per year from 2027 to 2030. This capped framework aligns the environmental and social expenditures with the company's projected cash flow generation capacity and capex needs.

The capped remediation cash outflows, combined with Samarco's long-dated debt maturity profile and the gradual transition from PIK to cash interest payments, reduce liquidity pressure and refinancing risk until 2030. As a result, the liabilities related to the dam incident will not constrain Samarco's operational ramp-up or weaken its credit profile, provided the company maintains its current operating performance and financial discipline.

Exhibit 5
Evolution of provisions and cash outflows for Vale, BHP and Samarco related to the tailings dam incident
$ billions



Vale and Samarco's provisions and cash outflows are as of September 2025 and BHP's are as of June 2025.
Calculations are based on amounts in Brazilian real converted to US dollar using end-of-period exchange rates from Banco Central do Brasil (Brazil's central bank).
Source: Company fillings and Moody's Rating

Samarco's contributions to remediation and reparation programs are capped at $1 billion for 2024-30 (comprising $200 million for 2024-26 and $100 million for 2027-30). If contributions surpass the annual cap or Samarco's cash flow generation, Vale and BHP will cover the excess amounts through capital contributions to Samarco (see Exhibit 6).

Exhibit 6

Samarco and shareholders' disbursements and obligations from 2024 until 2043

	2024	9M2025	2025E	2026E	2027E	2028E	2029E	2030E	2031 and onwards
Disbursements ($ millions)									
Samarco's cap	200.0	200.0	200.0	200.0	100.0	100.0	100.0	100.0	0.0
Samarco's disbursements	200.0	131.0	200.0	200.0	100.0	100.0	100.0	100.0	10,700.0
Shareholders contribution	1,620.0	3,859.0	3,900.0	2,000.0	1,000.0	900.0	800.0	1,045.5	0.0
(=) Total disbursements ($ millions)	**1,820.0**	**4,059.0**	**4,100.0**	**2,200.0**	**1,100.0**	**1,000.0**	**900.0**	**1,145.5**	**10,700.0**
Obligations ($ millions)									
Under definitive agreement (Oct-24)									
Obligations to pay	892.9	1,091.0	1,091.0	1,272.7	910.0	900.0	900.0	1,000.0	10,700.0
Obligations to perform	0.0	2,968.0	3,009.0	927.3	190.0	100.0	0.0	145.5	0.0

Source: Samarco, Vale and BHP's fillings

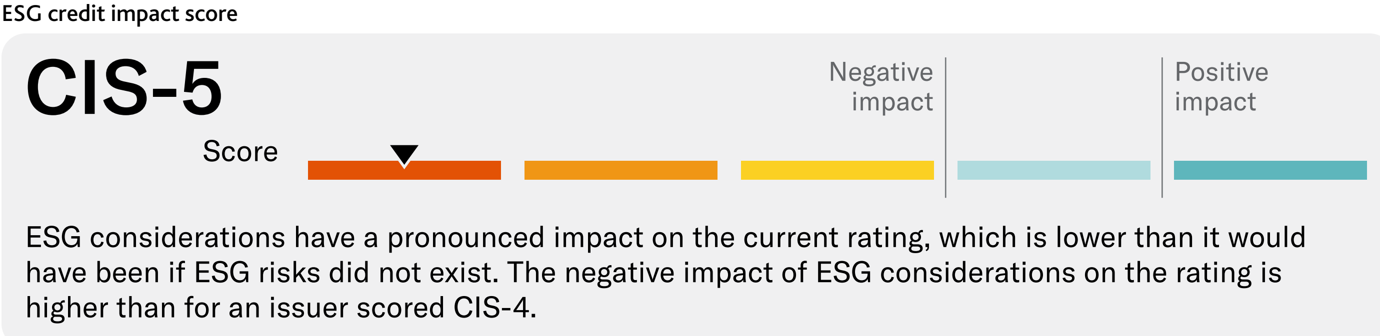
Although the 2024 settlement is comprehensive, it will not resolve other litigation, including the following: the Australian class action complaint[1]; the UK group action complaint; the group action claim brought against certain Vale and Samarco entities in the Netherlands; criminal charges against Samarco, BHP Brasil, Vale and certain individuals; civil public actions by private associations; and future claims that may arise from new information or damages in connection with the dam failure. However, the agreement significantly reduces uncertainty given its comprehensive nature compared with the original agreements.

ESG considerations

Samarco Mineracao S.A.'s ESG credit impact score is CIS-5

Exhibit 7

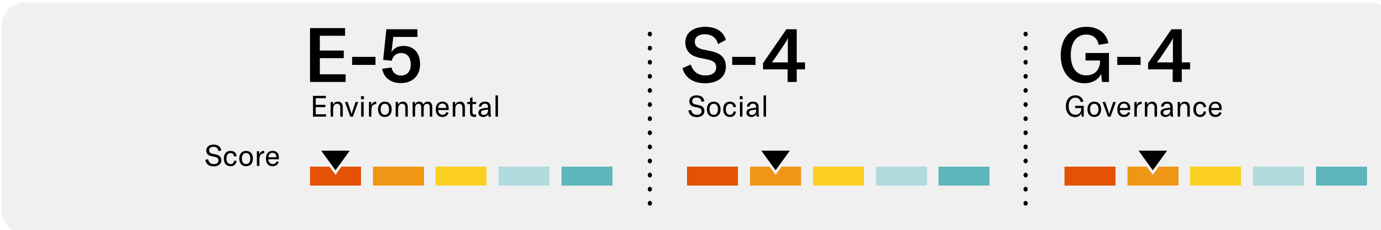
ESG credit impact score



Source: Moody's Ratings

Samarco's ESG Credit Impact Score indicates the rating is lower than it would have been if ESG considerations were not incorporated into the rating. The CIS reflects exposure to environmental and social risks that are inherent within the mining industry. This is partially offset by the company's adherence to safety and stability of its operations, and the agreement accomplished setting the terms for reparation and remediation. Samarco has high exposure to environmental risks associated primarily with natural capital and waste and pollution (including tailings dams). Samarco's high exposure to social risks arise mainly from health and safety concerns around the operations as well as responsible production, given the tailings dams incident in 2015 and its operational and financial implications. The company's governance considerations reflect Samarco's concentrated ownership, as a joint-venture owned by Vale S.A. and BHP Billiton Brasil Ltda, a subsidiary of BHP Group Limited. It also reflects the need to continue to invest to be able to fully ramp-up its operations to full nominal capacity, which is expected to be achieved in 2028.

Exhibit 8
ESG issuer profile scores



Source: Moody's Ratings

Environmental

Samarco is exposed to environmental risks inherent to the mining industry, primarily natural capital and waste and pollution. Because of the environmental disaster caused by the tailings dam rupture in 2015, disposal management and mitigation of impacts caused by the dam collapse remain the main environmental credit consideration to Samarco. The tailings dam incident in 2015 resulted into the full suspension of operations through late 2020, as well as extensive environmental damage and substantial fines and litigations. The company has decharacterized the Germano pit and is on its way to complete the decharacterization of the Germano dam. As Samarco moves towards dry processes (dry stacking) for majority of production, the company will reduce the risk of accidents. However, Samarco remains exposed to the obligations related to reparation and compensation initiatives under the October 2024 settlement. Samarco's operations are located in areas of abundant water availability, but has certain exposure to physical climate risk, in particular floods during the summer season in the southeast region of Brazil.

Social

Samarco is exposed to social risks, in particular those related to health and safety and responsible production. Despite the improvement in safety initiatives, the tailings dam incident and its implications related to safety of operations, employee well-being and community stakeholder engagement and reputation remains an important credit consideration, reflected mostly in responsible production. Samarco 's exposure to other social risks such as human capital is not as high as most mining companies, given the absence of union disputes and history of strikes.

Governance

Samarco's governance score reflects its track record while it ramps up operations with the start-up of its concentrators. Samarco is exposed to risks related to financial strategy and risk management as well as its board structure and policies, with concentrated ownership. The company still has limited financial flexibility under the 2031 bond indenture.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Liquidity analysis

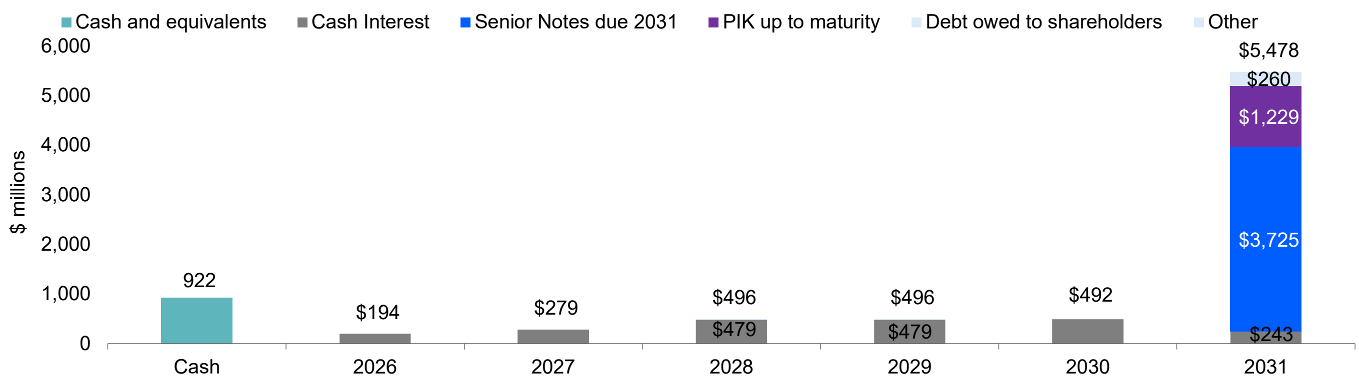
Samarco has adequate liquidity, supported by solid operating cash flow generation, the absence of cash interest payments until 2026 due to the PIK structure, and the cap on remediation and compensation expenditures of $200 million per year through 2026 and $100 million per year from 2027 to 2030, totaling $1 billion through the end of 2030. The company's debt maturity profile is long-dated, with most obligations maturing in 2031, as the $3.9 billion of senior unsecured notes. In addition, Samarco benefits from the commitment of its shareholders, Vale and BHP, to fund settlement obligations above the cap through equity contributions, providing an important liquidity backstop.

The combination of capped remediation cash outflows, a gradual transition from PIK to cash interest payments, and a comfortable amortization schedule allows Samarco to pursue its planned production ramp-up and capital investments without substantially straining its cash flow. These features support balance-sheet resilience and reduce refinancing risk during the execution of the company's growth strategy.

Exhibit 9

Comfortable debt amortization schedule allows Samarco to execute its growth plan

As of the end of September 2025



Cash position as of September 2025 includes $405 million temporarily held for reparation-related obligations, as these restricted funds are likely to decrease as reparation disbursements progress.

Source: Company data

Although a capital spending review increased the project budget to roughly $2.5 billion and postponed the startup of certain beneficiation and pelletizing plants to 2029, the revised plan preserves flexibility and allows the company to meet its 2028 production target by deferring about $500 million of investments. To support execution, Samarco has secured additional liquidity, including a $100 million working capital facility and a $410 million capital spending credit facility, both within the limits established by the bond indenture.

Methodology and scorecard

Samarco's scorecard-indicated outcome under our Mining rating methodology is B1, based on the data for both the 12 months that ended in September 2025 and on the forward-looking view over the next 12-18 months. The net effect of any adjustments applied to the rating factor scores or scorecard outputs under the primary methodologies, if any, was not significant to the ratings.

Exhibit 10
Rating factors
Samarco Mineração S.A.

Global Mining Industry Scorecard	Current LTM September 30 2025		Moody's Forward View Next 12-18 months (as of Feb 2026)	
	Measure	**Score**	**Measure**	**Score**
Factor 1: Scale (15%)				
a) Revenue (USD Billion)	1.7	B	1.9 - 2.0	B
Factor 2: Business Profile (30%)				
a) Business Profile	B	B	B	B
Factor 3: Profitability And Efficiency (10%)				
a) EBIT Margin	56.2%	Aa	45.0% - 55.0%	Aa
Factor 4: Leverage And Coverage (25%)				
a) Debt / EBITDA	4.1x	B	4.0x - 4.5x	B
b) (EBITDA - CAPEX) / Interest Expense	1.1x	Caa	1.3x - 1.7x	B
c) RCF / Debt	-31.6%	C	10.0% -25.0%	B
Factor 5: Financial Policy (20%)				
a) Financial Policy	B	B	B	B
Rating:				
a) Scorecard-Indicated Outcome		B1		B1
b) Actual Rating Assigned				**B2**

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Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Appendix

Exhibit 11

Peer comparison

Samarco Mineração S.A.

	Samarco Mineracao S.A. (USD) B2 Positive			BHP Group Limited (P)A1 Stable			Vale S.A. Baa2 Stable			Fortescue Ltd Ba1 Stable			Ferrexpo plc Caa3 Negative		
(in US millions)	FYE Dec-23	FYE Dec-24	LTM Jun-25	FYE Dec-23	FYE Dec-24	LTM Sep-25	FYE Dec-23	FYE Dec-24	LTM Sep-25	FYE Jun-24	FYE Jun-25	LTM Jun-25	FYE Dec-23	FYE Dec-24	LTM Jun-25
Revenue	1,521	1,455	1,722	55,658	51,262	53,988	41,784	38,056	37,467	18,220	15,541	15,541	652	933	837
EBITDA	806	891	1,149	25,436	24,900	28,093	16,199	15,078	15,340	10,757	7,804	7,804	124	114	9
Total Debt	4,082	4,451	4,729	22,242	25,284	29,012	14,226	16,685	19,723	5,400	5,439	5,439	23	28	26
EBIT Margin	41.6%	51.0%	56.2%	36.2%	37.6%	40.9%	31.7%	31.1%	30.6%	47.3%	34.1%	34.1%	10.0%	5.8%	-6.4%
(EBITDA - Capex)/ Int. Expense	1.2x	1.0x	1.1x	9.7x	9.9x	11.6x	8.7x	7.5x	7.3x	24.9x	13.4x	13.4x	9.6x	3.5x	-29.2x
Debt / EBITDA	5.1x	5.0x	4.1x	0.9x	1.0x	1.0x	0.9x	1.1x	1.3x	0.5x	0.7x	0.7x	0.2x	0.2x	3.0x
RCF / Debt	48.5%	-21.2%	-31.6%	53.7%	40.2%	46.1%	79.4%	42.2%	45.3%	74.4%	64.8%	64.8%	400.1%	166.9%	-70.4%

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.
Source: Moody's Financial Metrics™

Exhibit 12

Moody's-adjusted debt reconciliation

Samarco Mineração S.A.

(in $ millions)	2020	2021	2022	2023	2024	LTM Sep-25
As reported debt	**6,366.6**	**6,699.1**	**7,008.1**	**4,082.2**	**4,450.9**	**4,729.2**
Moody's-adjusted debt	**6,366.6**	**6,699.1**	**7,008.1**	**4,082.2**	**4,450.9**	**4,729.2**

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.
Source: Moody's Financial Metrics™

Exhibit 13

Moody's-adjusted EBITDA reconciliation

Samarco Mineração S.A.

(in $ millions)	2020	2021	2022	2023	2024	LTM Sep-25
As reported EBITDA	**535.7**	**(987.4)**	**(525.8)**	**(4,175.7)**	**(238.6)**	**890.1**
Unusual Items	34.5	2,418.3	1,590.7	4,981.5	1,129.5	258.9
Moody's-adjusted EBITDA	**570.3**	**1,430.9**	**1,064.8**	**805.9**	**890.9**	**1,149.0**

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.
Source: Moody's Financial Metrics™

Ratings

Exhibit 14

Category	Moody's Rating
SAMARCO MINERACAO S.A.	
Outlook	Positive
Corporate Family Rating	B2
Senior Unsecured	B2

Source: Moody's Ratings

Endnotes

1 In September 2025, BHP reached an agreement to settle the Australian shareholder class action related to Samarco and agreed to pay AUD110 million (about $73 million).

REPORT NUMBER 1469145

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