SAMARCO MINERAÇÃO S.A.
– JUDICIAL REORGANIZATION

MANAGEMENT REPORT, INDEPENDENT AUDITORS' REPORT AND FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

SAMARCO

SUMMARY

*Pellets,
storage yards -
Ubu Unit (ES)*

MANAGEMENT REPORT

Germano Complex, Mariana and Ouro Preto (MG)

MESSAGE FROM MANAGEMENT

Since taking over as CEO of Samarco, in the midst of the challenges that have marked the Company's trajectory, I have always felt confident about the firm commitment of each employee and partner to the implementation of our New Journey.

Over the past few years, we have promoted the changes necessary to resume our operational activities and continue rebuilding and strengthening trust relationships with the communities that host us and with society in general.

After five years of suspended operations, we restarted our operational activities in December 2020. Throughout 2021, the first full year of our operational resumption, we were able to take the initial steps of this new phase and reap results consistent with our purpose, values and culture.

We started this cycle while at the same time having to deal with the Covid-19 pandemic. To this end, we maintained preventive actions with the purpose of protecting the health and integrity of our employees and contractors and, at the same time, consolidating our mining and industrial activities in Minas Gerais and Espírito Santo.

In addition to the physical and emotional health actions required during the pandemic, our concern with human capital was reflected in the Samarco Culture Program, which in its third year was marked by the positive increase in favorability of our employees in the Climate Survey, which reached 90.2%. As a result, we were ranked 1st in the steel and mining sector and 22nd in the general ranking of Amazing Places to Work in 2021. Another highlight was the launch of our diversity program, one of the topics in which we expect to make progress in the short and medium term.

2021 was also the year to reconnect Samarco with the marketplace. We once more supply a quality product with a high iron content, above 65%, recognized by our customers. We achieved a production of 7.87 million tons of iron ore pellets and fines, on target, and carried out 73 shipments from our port terminal in Ubu to dozens of customers in the Americas, Europe, Asia, North Africa and the Middle East.

The resumption allowed us to generate a social impact consistent with the history of the Company's relationships. We continued with social and institutional investments, with environmental education programs, monitoring of indicators, socioeconomic diversification and training of rural producers. Furthermore, with our business, we generated BRL 1.1 billion in tax revenue for Minas Gerais and Espírito Santo, including tax revenue generated by suppliers in their purchases to meet the Company´s needs, and maintained a base of approximately 1,500 direct employees and 8,000 indirect workers.

Results like these were possible because we kept a systemic view of all the variables of our business – access to and interaction with the seaborne iron ore pellet market; commitments to remediation and compensation for damages caused by the Fundão dam failure; relations with the communities where we operate; and the focus on the safety of people, our assets and our geotechnical structures.

In this context, our teams ensured the stability of our geotechnical structures and invested in proactive risk management, with continuous monitoring and communication with authorities, independent auditors and neighboring communities.

Our Strategy Map provides for an increasing dialogue between all the Company's efforts and environmental, social and governance (ESG) criteria. This is translated into our Statement of Commitment to Sustainability, which, in dialogue with the 2030 Agenda and the United Nations Global Compact, aims at basing us on the pillars of governance and organizational culture, social relations, environment and safety and innovation.

We also continue to finance and monitor, through the governance established in the Transaction and Conduct Adjustment Term (TTAC) and in the TAC Gov, the remediation and compensation actions related to the impacts of the Fundão dam failure. Together with our shareholders, we allocated BRL 8.1 billion to the 42 programs under the responsibility of Renova Foundation.

We actively participate in the discussions led by the National Council of Justice about the renegotiation of actions within the scope of the TTAC.

We recognize the challenges, especially those associated with compensation and resettlement, and we are committed to seeking a renegotiation that can speed up and finalize complex remediation actions.

Our first year after the resumption was also marked by another theme fundamental for our future – the filing of the request for judicial reorganization in 2021. This process was carefully and respectfully designed by us in order to preserve the interests of all parties, offer the best possible terms, following its ratification, for payment to employees and suppliers, preservation of our operations and renegotiation of our debt, mostly with international financial creditors.

During the entire process, Samarco has been entirely transparent and remains confident that a fair agreement will be reached, responsibly taking into account the limitations of our business plan and the Company´s obligations towards the Renova Foundation and the redress actions set forth in the TTAC, in order to ensure that Samarco will be able to regain its economic and financial balance and maintain its social function and the generation of jobs, income and tax revenue.

In the face of all the challenges and learnings we have experienced, I consider 2021 to be a positive and transformative year for Samarco, during which we confirmed our resilience and adaptability after five years of suspended operations. We have learned a lot so far and we are ready to continue the Company's journey, honoring our commitments to our partners, customers, employees and communities and monitoring all risks and opportunities linked to the business.

Rodrigo Alvarenga Vilela
CEO

2021 HIGHLIGHTS

FINANCE & INVESTMENTS

BLR 9,028.3 million
in gross sales in 2021

BLR 2,560 million
in cost of product sold
w/ idle capacity

BLR -10,046.1 million
in profit/loss of the year (loss)

BLR 234 million
in capex investments

PRODUCTION & SALES

7.879 million
of tons produced

7.06 million
tons - sales abroad
(pellets + fines)

0.379 million
tons - sales in the country
(pellets)

+ than 70 shipments
carried out from the Ubu
port terminal

DEBT AND FINANCIAL POSITION

BLR 9,677.3 million
in debt with shareholders
(loans and financing)

BLR 2,917.8 million
in debt to shareholders
(dividends and mining rights)

BLR 14,456.6 million
in debt with shareholders
(Renova Foundation contributions)

BLR 1.5 million
in debt to shareholders (others)

BLR 27,703.2 million
in debt to third parties

FUND ALLOCATION RENOVA FOUNDATION

BLR 3,699.9 million
in amounts contributed to
the Renova Foundation (Samarco)

BLR 4,300.1 million
in amounts contributed to the
Renova Foundation (Shareholders)

DECHARACTERIZATION OF GERMANO DAM

BLR 469.2 million
in expenses incurred to
de-characterize the Germano Dam

COMMUNITY

BLR 7.1 million
invested voluntarily, via
institutional and social
investments

SAFETY

0.29
was the specific lost-time
accident rate (LTA)

1.18
was our total reported accident
rate (LTA + non-LTA)

ENVIRONMENT

BLR 18.3 million
in environmental investments

ABOUT **SAMARCO**

Founded in 1977, Samarco is a privately held Brazilian company, structured as a joint venture controlled in equal parts by Vale and BHP Billiton, active in the mining, processing and sale of iron ore fines and pellets.

We were born as a company with an essentially exporting profile and, over the decades, we have consolidated a production model that includes the Germano Complex, in Mariana and Ouro Preto (MG), with mines and iron ore processing plants, and the Ubu, in Anchieta (ES), where the pelletizing plants and the port terminal are located. The units are interconnected by three ore pipelines – each approximately 400 kilometers long –, responsible for transporting iron ore slurry from Minas Gerais to Espírito Santo.

Other administrative and operational structures are the corporate headquarters in Belo Horizonte (MG), commercial offices in the Netherlands and Hong Kong, the small hydropower plant (SHP) in Muniz Freire (ES) and an interest in the Guilman-Amorim plant consortium, in Antônio Dias and Nova Era (MG).

Samarco's products include direct reduction (DR) and blast furnace (BF) pellets and iron ore fines (pellet feed and sinter feed), which supply various industries in the Americas, Europe, the Middle East, North Africa and in Asia.

Our history is marked by the Company's innovative project to transform low grade iron ore into quality products capable of meeting the needs of the global steel industry in engineering, consumer goods and technology applications. However, we are experiencing a period of intense challenges and a profound review of the organizational bases after the Fundão Dam collapse on November 5, 2015 – which generated socio-environmental and socio-economic impacts for communities in Minas Gerais and Espírito Santo.

The collapse resulted in the stoppage of our activities, in immediate actions to contain and reinforce structures and in a concerted effort of planning, dialogue with affected and adjacent communities and with governments and authorities, in order to gradually outline a horizon of resumption of operations and provide funding for the remediation and compensation activities carried out by Renova Foundation.

On the one hand, we are guided by the Transaction and Conduct Adjustment Term (TTAC) signed in 2016 with the federal and state governments of Minas Gerais and Espírito Santo, in addition to other authorities, and by the Conduct Adjustment Term - Governance (TAC Gov), signed in 2018 to strengthen and improve the governance of compensation and remediation actions.

On the other hand, we revisited our essence and raison d'être, designed new processes, guided by safety and innovation, and started work aimed at resuming operations, completed in December 2020, in Germano and Ubu. We have returned with a new approach: smaller production, at 26% of our capacity, and implementation of new technologies for tailings disposal, allowing us to filter and dry stack 80% of the sandy tailings by means of the Filtration System in Germano. The remaining 20% (slimes) is deposited in the Alegria Sul Pit.

Soon after the operational resumption, in April 2021, seeking to protect our operations, maintain our social function and the generation of jobs, income and taxes, we filed a request for judicial reorganization with the Courts of Minas Gerais to renegotiate our debt, which is mostly financial and is held by foreign bond holders. This measure, which does not impact the Company's operations, meets the need to rebalance Samarco's capital stock so that it can honor its debts with investment funds and its shareholders – who provided funds for the Company's resumption and for compensation and remediation actions performed by Renova Foundation since 2016.

Recently, in February 2022, an agreement between Samarco and Vale S.A. was reached to optimize our production activities, within the context of a gradual ramp-up. This cooperation, which is based on the signing of a series of agreements between the parties, involves exchanges of land assets, agreements for the purchase and sale of ores and optimization of Samarco's use of its own structures. It is expected that the agreements will play an important role in Samarco's operational improvement, and eventually in the full resumption of its production capacity. The effectiveness of these agreements, for the most part, is subject to the fulfillment of certain conditions precedent, including, when applicable, the approval of the judicial reorganization judge.

During 2021, the first year in operation after five years of down time, we reported a production of 7.87 million tons of iron ore pellets and pellet feed and BRL 9,028.3 million in gross revenue. We made 73 product shipments to the domestic and foreign markets. We generated BRL 1.1 billion in taxes from January to December 2021 (including those generated by suppliers in the purchases they made to meet the needs of supplying services to the company) and we had, by our side, a team of approximately 1,500 direct employees and 3,000 active suppliers. It was also a year of significant investments, with consolidated Capex of BRL 234 million, essentially allocated to projects to decharacterize the Germano dam and pit, to sustaining capital and geotechnical infrastructure.

OUR IDENTITY

Purpose
To perform different and sustainable mining, capable of generating results and building value for society.

Vision
To be recognized for overcoming obstacles and rebuilding social, environmental and economic relationships.

Mission
To optimize the transformation of mineral resources into value for society in a safe, efficient and innovative manner, today and in the future.

Values
- Respect for People
- Integrity
- Mobilization for results
- Safety

PRODUCTION PROCESS

Germano
Mine, ore transportation, beneficiation, sandy tailings filtration, overburden and tailings disposal, slurry thickening and storage

Ubu
Ore filtration, wastewater treatment, ground iron ore press, pelletizing, induration furnace, storage of fines and pellets and shipment to the port terminal

Ore Pipelines
Transportation over 400 km between Minas Gerais and the coast of Espírito Santo, crossing 29 municipalities

Offices
Administrative, commercial and governance activities, distributed in the headquarters in Belo Horizonte and in offices abroad (Netherlands and Hong Kong)

Find out the full details of these steps in the infographic available at: *www.samarco.com/da-mina-ao-porto/#processo-produtivo*

GOVERNANCE AND ETHICS

Samarco's governance structure meets market requirements and good practices. Since before the stoppage, our organization has been based on the work of the Board of Directors, advisory committees and the Executive Board, responsible, respectively, for strategic guidelines, decision-making support and leadership in carrying out tactical plans for business execution.

We also continue to be guided by the professional and independent performance of our external auditors, shareholder auditing and internal controls, prioritizing topics such as safety, compliance and risk management.

The performance of the Board, the Executive Board, the shareholders, the audit and advisory committees is based on the Shareholders' Agreement, the Articles of Incorporation, the Code of Conduct and Samarco's corporate management policies.

Executive Board

Board of Directors

Advisory committees

- **Sustainability Committee**
  - Stakeholder Communication and Monitoring Subcommittee
- **Risk Management, Audit and Compliance Committee**
- **Geotechnical Committee**
- **Finance Committee**
  - Tax Subcommittee
- **Legal Committee**
- **Technical and Operations Committee**
- **People Committee**

INTEGRITY

At Samarco, we consider ethics and integrity as prerequisites of the Company´s New Journey – integrity is a Company value. We maintain the Compliance and Ombudsman Department as the area responsible for planning, structuring processes and policies and defining mechanisms to guide employees and protect the organization from risks of fraud, corruption, money laundering, bribery, human rights violations and conflicts of interest. Senior management is also engaged in the matter through the Audit and Compliance Committee.

In 2021, highlights included the participatory review of Samarco's Code of Conduct and our compliance policies.

Through the Compliance Program, actions to prevent, detect and respond to cases and risks of non-compliance are developed, including training, supplier and partner due diligence, a whistleblower channel, monitoring of sensitive disbursements and management of a plan for actions and consequences.

In 2021, the Ombudsman received 321 reports. The average number of reports received was 27 grievances/month, higher than in previous years (21 reports/month).

Regarding training, 1,770 hours of training were provided on the Code of Conduct and other Compliance policies in 2021, involving all active employees.

RISK MANAGEMENT

It is the nature of the mining industry to have ongoing routines, processes, investments and analysis of the various risk factors that involve the business. In line with our history and our commitments, as stated in Samarco's New Journey, we are focused on ensuring a safe operation, with controls for all our processes, and working on monitoring other types of financial and non-financial risks.

We implemented the three-lines-of-defense model in order to guarantee independence and encourage the involvement of leadership in monitoring risks, maintaining structured policies and processes and strengthening the culture of ownership of the management of the subject matter by all areas. The 1st line of defense is made up by managers and those directly responsible for the processes they manage and the related risks; the 2nd line of defense provides the methodology and monitors the integrated view of risks, and the 3rd line provides independent assessments through the auditing process.

The Risk Management Policy and our Manual on Corporate Risks guide actions for the prevention, monitoring and detection of the factors to which the Company is exposed. Issues such as the judicial reorganization process announced in 2021, the coping with the Covid-19 pandemic, environmental licensing processes, relations with communities and the Company's image and reputation in its current moment are directly addressed by this management.

BUSINESS CONTEXT

Samarco operates in a market of strong global demand, supplying the main steel producers in the Americas, Europe, the Middle East, North Africa and Asia

Since its operational resumption at 26% of capacity, it has reinforced its commitment with partners, communities, regulatory bodies, governments and the market to the safety of its geotechnical structures and operations and the fulfillment of obligations related to compensation and remediation - carried out by the Renova Foundation - of the impacts generated by the collapse of the Fundão dam, in 2015.

The company reinserted itself in the market in 2021, maintaining a well-balanced distribution of volume and delivering a quality product to its customers, resuming the supply of a product with a high iron content - above 65% - recognized by the customers.

New Horizons

With the position statement "Learning to Evolve and Transform", Samarco has updated its identity and logo in the last two years, reflecting the current moment – in dialogue with the Statement of Commitment to Sustainability.

Through programs in three categories – Incremental, Structuring and Development –, Samarco's strategy aims at fulfilling the business plan while maintaining the Company's compliance, safety, productivity and capacity.

Among them are the processes for studying new business opportunities, solutions for the disposal of tailings and overburden, programs to decharacterize the Germano pit and dam and projects aimed at organizational culture and process integration.

SAFETY AND GEOTECHNICS

Since the resumption of operations, the processes of reviewing procedures, standards, investments and policies related to the safety of geotechnical assets and structures have shown results.

We maintain our Integrated Safety System, made up by the Monitoring and Inspection Center (CMI), independent external audit processes, shareholder audits and permanent inspections by authorities, in addition to support for drills among communities close to the dams. Our geotechnical structures are monitored 24/7, using more than 1,500 state-of-the-art pieces of equipment and field inspections. During the year, all the Dam Integrity Assurance Statements (DCE) issued confirmed the stability of the geotechnical structures in the Company's industrial units.

DECHARACTERIZATION

In compliance with the legal determinations provided for in Resolution No. 95/2022 of the National Mining Agency (ANM), as well as in State Law 23.291/2019 and Federal Law No. 12.334/2010, which determines the decharacterization of all tailings and waste containment dams raised by the upstream method, we are committed to the decharacterization of our two structures (Germano Pit and Dam).

The works are in progress, according to the detailed technical design presented by Samarco to the competent bodies. In December 2021, we filed a request with the National Mining Agency (ANM) and the State Foundation for the Environment (Feam) to extend the deadline for the decharacterization of the Germano Dam and Pit, as provided for in current legislation, taking into account that it is a complex procedure.

At the end of February 2022, we signed a Term of Commitment with the Government of Minas Gerais, through the State Foundation for the Environment (Feam), the Public Prosecution Office of Minas Gerais (MPMG) and the Federal Public Prosecution Office (MPF), and the intervention of the National Mining Agency (ANM), in order to ensure that the decharacterization of the Company's structures is completed within an appropriate period.

We reinforce our commitment to the safety of people and the environment and to continue the project to decharacterize our two dams built using the upstream method.

The decharacterization works, which began even before the 2019 law went into effect, are at an advanced stage and are monitored monthly by the Public Prosecution Office of Minas Gerais through a specialized independent audit, in compliance with current state and federal standards. So far, investments for the decharacterization add up to about BRL 663 million. Our goal is to ensure that the interventions are completed within an adequate timeframe, maintaining the stability of the structures throughout the entire project.

REMEDIATION

At the heart of Samarco's activities and business model is the commitment to redressing and compensating for the impacts of the Fundão dam collapse. We are committed to fulfilling our obligations to the affected communities and areas, directly financing the socio-environmental and socio-economic programs which are developed by Renova Foundation.

By December 2021, more than 363,500 people had received compensation. BRL 19.6 billion were allocated to the actions performed by the Foundation. According to the guidelines of the Transaction and Conduct Adjustment Term (TTAC) and, later, of the Conduct Adjustment Term - Governance (TAC Governança), from 2016 and 2018, respectively, 42 programs are implemented by the Renova Foundation, an autonomous legal entity that relies on the participation, in its governance, of representatives from the public authorities and stakeholders.

Samarco, within the scope of the TTAC, is the main sponsor and entity responsible for financing the Renova Foundation. When Samarco is unable to fulfill funding commitments, its shareholders provide the necessary resources according to the participation of each one.

The remediation actions and programs provided for in the TTAC received BRL 8.1 billion in 2021. Of the total, BRL 3.7 billion were contributed to Renova Foundation directly by Samarco and BRL 4.3 billion by the shareholders. The accumulated funds invested in the institution add up BRL 18.9 billion by the end of 2021 and the liability provisioned by Samarco as of December 31, 2021 is BRL 34.1 billion for future disbursements.

RENEGOTIATION

Reaffirming our commitment to remediation, we are actively participating in discussions about the renegotiation of remediation actions within the scope of the TTAC, along with our shareholders. Discussions are led by the Observatory of the National Council of Justice (CNJ) and the first meeting took place in April 2021.

The purpose is to reach a new definitive agreement between the parties involved in order to guarantee full remediation, both of the environment and the affected parties, for the damage resulting from the collapse of the Fundão dam.

On June 22, the Joint Statement of Principles was presented, a document that guides the optimization of an agreement. The renegotiation involves the governments of Minas Gerais and Espírito Santo, the Federal Government, representatives of public prosecution offices, public defenders and companies – Samarco, Vale and BHP Brasil. The discussion about the renegotiation does not affect the progress of programs nor remediation and compensation actions.

Find out more details and a balance of 2021 actions and deliveries on Renova's website: *www.fundacaorenova.org/arquivos-e-relatorios*

SUSTAIN-**ABILITY**

It is part of Samarco's lessons learned and maturing to recognize that mining operations needs to be different, safer and more sustainable. This assumption is integrated into the business strategy and resulted, after a long process of reflection and review, in the issue of our Statement of Commitment to Sustainability.

The document, prepared in light of current challenges and trends in the environmental, social and governance (ESG) fields, also dialogues with the 2030 Agenda and the principles of the United Nations Global Compact, by encouraging the incorporation of socio-environmental assumptions for the Company's decision-making and actions. The statement is based on Governance and Organizational Culture and the following pillars: Social Relations, Environment and Safety and Innovation.

Learn more on the complete Statement at *www.samarco.com/declaracao-de-compromisso*

PEOPLE AND DIVERSITY

In line with our values and Samarco's vision of the future, we believe that each one of our approximately 1,500 employees is essential for regaining the trust of society and for fulfilling our business plan.

2021 was a year of continuity in actions focused on cultural evolution with an emphasis on strengthening sustainability, planning, innovation, diversity, health and safety – in line with the challenges and key projects of the period. It was also a moment to reaffirm the regional economic impact. In addition to our direct employees, the company currently has approximately 8,000 indirect workers and partner suppliers.

In the year, 53% of direct hires were from the local labor markets, in Minas Gerais and Espírito Santo. The high volume of outsourced services is due to work and projects in progress.

Among the challenges outlined for the year were several topics related to the management of human capital, such as labor productivity, the evolution of the organizational culture, safety and actions for knowledge management and the resumption of the performance process.

The Samarco Culture Program was the highlight of the year, continuing the diagnosis carried out in 2019 and followed by planning actions. The cultural traits mapped and worked on in the Company are Humility, Partnership and Trust, Innovation, Austerity and Planning.

During the year, we had a Climate Survey with support from FIA Employee Experience (FEEx), Fundação Instituto de Administração (FIA) and UOL. We had 1,357 responses from employees, representing 90% adhesion, and a favorability index of 90.2%.

As a result, we ranked 1st in the study in the steel and mining sector, 2nd among large companies and 22nd in the general ranking of the Amazing Places to Work 2021 award.

From left to right: Marina Inácio Otaviano, Eduardo Costa Campos and Daniella Vieira Rihan, Samarco employees

HEALTH AND SAFETY

The Occupational Health and Safety Management System guides investments and actions that include hazard control, risk analysis, mandatory and complementary training and monitoring of indicators in its own computerized system. Highlights in 2020 include the seminars and actions related to emotional health, safety behavior and awareness programs - such as FCA (Falaad e Cuidado Ativo) and POTS (Safe Work Observation Program) - and the analysis of risk factors.

Coping with the Covid-19 pandemic was one of the great challenges of 2021 in terms of occupational health, as in the previous year, in order to ensure the integrity, health and well-being of employees. Preventive actions were maintained, as well as the monitoring of cases of contagion by the disease.

Periodically, we underwent audits by specialized companies to check our protocols to combat Covid-19. Establishing working from home was one of the immediate actions for 100% of eligible employees and interns. The company also began offering Ergonomics Assistance to help with the mobilization of employees for home office activities and employee testing.

In terms of safety, our management goal is to keep the reported accident rate below 1. This rate includes all accidents involving our own and outsourced and project employees. This benchmark is in line with international standards. In 2021, 13 accidents were reported, of which were 4 LTA.

ENVIRONMENTAL EFFICIENCY

In view of the nature of our business, we continue to combine investments in productivity and efficiency gains with studies on innovation and new options to reduce by-products and tailings, control the use of natural resources and minimize the generation of emissions and effluents.

The Environment Management area carries out field inspections and meetings to identify risks, as well as systematize reports of environmental incidents and assist in critical assessment, so that we can learn from past mistakes in order to avoid new incidents. Another important process is training on environmental issues, delivered to 100% of our own and outsourced employees.

The context of the resumption mobilized more than BRL 18.3 million in environmental investments, including technologies for atmospheric control at the operational units.

2021 HIGHLIGHTS

Water Management

A topic that has improved daily through the use of new environmental practices. Currently, Samarco is able to recirculate around **88.4%** of all the water used in its process. A highlight of the year was the implementation of water monitoring by the COI – Integrated Operations Center, with monitoring of the quality of water bodies 24/7.

Atmospheric Management

We have six air quality monitoring stations at Ubu, from before the shutdown, and the milestone of 2021 was the installation of the Automatic Particle Monitoring Network (RAMP) in nine points at the Germano dam.

Biodiversity Management

Samarco is actively working in the environmental offset of its activities and around 12 thousand ha of native vegetation have already been protected, equivalent to 3.6 times the total area covered by the company facilities. Between 2021 and 2022, the plan is to plant another 663 ha.

Noise and Vibration Management

Currently, monthly noise monitoring is carried out in 12 communities.

Canine Vaccination Program

In 2021, 46 campaigns were carried out in 39 municipalities in Minas Gerais, reaching around 43 thousand dogs.

Environmental Project Management

Daily environmental inspections are carried out in all projects under development at Samarco, with the help of the digital tool (*Checklist Fácil*).

Environmental Education Program

Throughout the year, we published more than 90 Environmental Dialogues (DMA) on a variety of environmental topics; Skills Development; Induction Training; in addition to the environmental campaigns (4 actions) that throughout the year mobilized around 5,000 people.

Environmental Performance Index (IPA)

The indicator was implemented in January 2021 to measure the environmental performance of operational management.

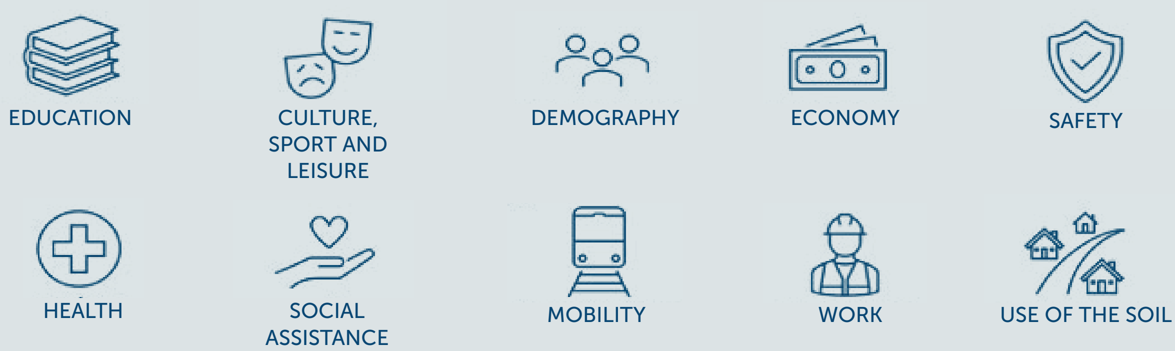
Check the data on the year's environmental indicators in the 2021 Sustainability Report, to be published in the coming months and available at www.samarco.com

COMMUNITIES

Dialogue with stakeholders, investments in initiatives that contribute to social development, the fostering of economies and the generation of employment are among the Company's objectives regarding the communities where we operate in Espírito Santo and Minas Gerais.

Samarco interacts with 29 municipalities, from Minas Gerais and Espírito Santo, reflected by tools such as the Samarco Relationship Center and by projects supported by the Institutional and Social Investment Policy, which establishes guidelines for the allocation of funds. There are also dialogue actions, such as meetings and forums, linked to the socio-environmental conditions of the projects. Since 2020, the Monitoring Program for Socio-economic Indicators (PMISE) has been reactivated.

199 SOCIO-ECONOMIC INDICATORS



Social programs

Among the main social programs implemented in 2021 are:

- Institutional and Social Investment Policy (PIIS)
- Monitoring Program for Socio-economic Indicators (PMISE)
- External Environmental Education Program and Support Program for Fishing Communities
- Support Plan for Economic Diversification (PADE)
- Samarco Environmental License Monitoring Forum (FALAS)
- Communication and Socio-Institutional Relationship Program
- Rural Producers Training Program

Samarco Relationship Center Channels

Telephone:
0800 033 8485

E-mail;
relacionamento@samarco.com

Contact Us :
www.samarco.com

CANDONGA

At the end of 2020, Samarco took over the actions outlined in Program 9 - Rehabilitation of the Reservoir of the Risoleta Neves Hydropower Plant (UHE Candonga) through cooperation with Renova Foundation.
The TTAC (clause 235, sole paragraph) provides for the sharing of responsibilities, whereby Samarco will be in charge of environmental controls and programs, environmental management of construction works, monitoring of audits, interfaces with environmental agencies and other project activities.

Learn more details and results of actions and programs in the 2021 Sustainability Report.

INDEPENDENT AUDITORS' REPORT ON **INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS**

Filtration plant for dry stacking, Germano unit.

KPMG Auditores Independentes Ltda.
Rua Paraíba, 550 - 12º andar - Bairro Funcionários
30130-141 - Belo Horizonte/MG - Brasil
Caixa Postal 3310 - CEP 30130-970 - Belo Horizonte/MG - Brasil
Telefone +55 (31) 2128-5700
kpmg.com.br

Independent auditors' report on the individual and consolidated financial statements

To the shareholders of Samarco Mineração S.A.

Belo Horizonte – MG

Disclaimer of Opinion

We were engaged to audit the individual and consolidated financial statements of Samarco Mineração S.A. ("Company"), identified as parent company and consolidated respectively, which comprise the statement of financial position as at December 31, 2021 and the related statements of income, comprehensive income, changes in equity and cash flows for the year then ended, including significant accounting policies and other explanatory information.

We do not express an opinion on the accompanying individual and consolidated financial statements of the Company and its subsidiaries. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

As of December 31, 2021, the Company and its subsidiaries incurred losses of R$10,046,125 thousand and on that date, current liabilities exceeded current assets by R$56,760,927 thousand. These conditions, together with other matters described in Note 1 and 33 and the fact that the Company have entered the judicial reorganization process, indicate the existence of significant uncertainty that may raise significant doubts as to the ability of the Company and its subsidiaries to continue operating. The reversal of this loss and working capital deficiency depends on the deliberation and approval of the judicial reorganization plan, which has not yet been occurred. As a result of this matter, it was not possible to determine, at the current stage, what the outcome of this matter will be, its impacts on the financial statements, as well as to conclude whether the assumption of operational continuity, the basis for the preparation of the financial statements, is appropriate.

Other matters

Statements of value added

The individual and consolidated statements of added value (DVA) for the financial year ended December 31, 2021, which are the responsibility of Company Management and are not required to be published by privately held companies, were subject to audit procedures conducted in conjunction with the audit of the Company's financial statements. To form our opinion we evaluated whether the statements have been reconciled against the financial statements and accounting records, as applicable, and whether their form and content comply with the criteria set out in CPC Technical Pronouncement 09 - Statements of Added Value. Due to the relevance of the matter described in the section "Basis for Disclaimer of Opinion", we have not been able to obtain sufficient appropriate audit evidence to conclude that these statements of added value were properly prepared, in all material respects, according to the criteria defined in this Technical Pronouncement.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting practices adopted in Brazil, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiary or to cease operations, or has no realistic alternative but to do so.

Those charged with the governance of the Company and its subsidiary are responsible for overseeing the financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the financial statements in accordance with Brazilian and International Standards on Auditing and to issue an auditors' report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these individual and consolidated financial statements.

We are independent of the Company and its subsidiary in accordance with the ethical requirements that are relevant in accordance with Code of Ethics for Professional Accountants and the professional standards issued by the Conselho Federal de Contabilidade and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Belo Horizonte, April 22, 2022

KPMG Auditores Independentes Ltda.
CRC SP-014428/O-6 F-MG

Free translation of an original version issued in Portuguese signed by
Poliana Silveira Rodrigues
Contadora CRC MG-089473/O-0

FINANCIAL **STATEMENTS**

FINANCIAL STATEMENT
AS OF DECEMBER 31
IN THOUSANDS OF REAIS – BRL

		Parent company		Consolidated	
Assets	**Note**	**2021**	**2020**	**2021**	**2020**
Current					
Cash and cash equivalents	4	1,994,145	79,938	2,000,775	83,846
Restricted short-term investments	5	1,438	2,848	1,438	2,848
Accounts receivable	6	448,199	2,274	445,943	175
Inventory	7	533,007	285,879	533,007	285,879
Recoverable taxes	8	260,125	39,866	260,132	39,877
Prepaid expenses		3,715	3,942	4,771	4,497
Advances to supplier		50,710	17,509	50,710	17,509
Other accounts receivable	9	-	4,319	-	4,319
Other assets	10	13,774	10,438	13,837	10,502
Total current assets		**3,305,113**	**447,013**	**3,310,613**	**449,452**
Non-current					
Court deposits	19	2,015,142	1,946,192	2,015,142	1,946,192
Recoverable taxes	8	75,574	76,743	75,575	76,743
Inventory	7	153,840	287,669	153,840	287,669
Advances to supplier	30	44,085	44,085	44,085	44,085
Other assets	10	19,842	15,288	19,842	15,288
Investments	11	47,231	24,532	-	-
Property, plant and equipment	12	29,315,296	20,292,630	29,315,310	20,292,641
Intangible assets	13	307,637	207,305	307,637	207,305
Total non-current assets		**31,978,647**	**22,894,444**	**31,931,431**	**22,869,923**
Total assets		**35,283,760**	**23,341,457**	**35,242,044**	**23,319,375**

The explanatory notes are an integral part of the parent company and consolidated financial statements.

FINANCIAL STATEMENT
AS OF DECEMBER 31
IN THOUSANDS OF REAIS – BRL

		Parent company		Consolidated	
Liabilities	**Note**	**2021**	**2020**	**2021**	**2020**
Current					
Trade payables	14	475,684	258,321	475,701	258,373
Loans and financing	15	30,843,677	28,313,792	30,843,677	28,313,792
Financial charges payable	15	6,536,828	4,767,459	6,536,828	4,767,459
Payroll, provisions and social contributions	17	90,520	29,346	90,610	29,476
Taxes payable	18	753,784	532,347	753,761	532,347
Provision for income tax	28	-	-	46	9
Other provisions	20	21,214,115	5,205,843	21,214,115	5,205,843
Other liabilities	21	198,614	98,900	156,802	76,639
Total current liabilities		**60,113,222**	**39,206,008**	**60,071,540**	**39,183,938**
Non-current					
Taxes payable	18	142,534	112,142	142,534	112,142
Dividend	22	2,805,548	2,805,548	2,805,548	2,805,548
Provisions for contingencies	19	50,460	132,726	50,460	132,726
Deferred income tax	28	5,815,336	5,340,432	5,815,302	5,340,420
Other provisions	20	16,231,597	16,478,175	16,231,597	16,478,175
Other liabilities in the country of related parties	30	14,456,634	10,156,499	14,456,634	10,156,499
Other liabilities	21	154,240	130,967	154,240	130,967
Total non-current liabilities		**39,656,349**	**35,156,489**	**39,656,315**	**35,156,477**
Equity	22				
Capital		297,025	297,025	297,025	297,025
Capital reserves		2,477	2,476	2,477	2,476
Carrying value adjustments		(11,887,035)	(8,468,388)	(11,887,035)	(8,468,388)
Accumulated losses		(52,898,278)	(42,852,153)	(52,898,278)	(42,852,153)
Total equity		**(64,485,811)**	**(51,021,040)**	**(64,485,811)**	**(51,021,040)**
Total liabilities and equity		**35,283,760**	**23,341,457**	**35,242,044**	**23,319,375**

The explanatory notes are an integral part of the parent company and consolidated financial statements.

INCOME STATEMENTS

YEARS ENDED AS OF DECEMBER 31
IN THOUSANDS OF REAIS - BRL, EXCEPT FOR THE NUMBER OF SHARES

		Parent company		Consolidated	
	Note	2021	2020	2021	2020
Revenue	23	8,898,648	115,646	8,898,648	115,646
Cost of goods sold and services rendered	24	(2,560,027)	(1,348,082)	(2,560,051)	(1,348,062)
Gross profit (loss)		**6,338,621**	**(1,232,436)**	**6,338,597**	**(1,232,416)**
Operating expenses					
Selling	25	(112,444)	(93,716)	(92,500)	(93,778)
General and administrative	25	(145,937)	(66,044)	(145,937)	(66,044)
Other operating (expenses) income, net	26	(16,084,237)	(3,491,927)	(16,084,257)	(3,491,972)
Equity in the results of investees	11	19,877	(222)	-	-
Operating (loss) before finance result		**(9,984,120)**	**(4,884,345)**	**(9,984,097)**	**(4,884,210)**
Finance expenses, net					
Finance income	27	22,709	50,587	22,954	50,592
Finance expenses	27	(2,478,085)	(3,540,128)	(2,478,126)	(3,540,153)
Net foreign exchange gains/losses	27	2,913,897	6,157,598	2,913,789	6,157,680
(Loss) before taxation		**(9,525,599)**	**(2,216,288)**	**(9,525,480)**	**(2,216,091)**
Current income tax	28	(45,622)	-	(45,741)	(197)
Deferred income tax	28	(474,904)	(2,373,085)	(474,904)	(2,373,085)
Loss for the year		**(10,046,125)**	**(4,589,373)**	**(10,046,125)**	**(4,589,373)**
Loss for the year per share – basic and diluted				**(1,915.99)**	**(875.28)**
Quantity of shares at end of year	**22**			**5,243,298**	**5,243,298**

The explanatory notes are an integral part of the parent company and consolidated financial statements.

STATEMENT OF COMPREHENSIVE INCOME (LOSS)

YEARS ENDED AS OF DECEMBER 31
IN THOUSANDS OF REAIS – BRL

	Parent Company and Consolidated	
	2021	**2020**
Loss for the year	**(10,046,125)**	**(4,589,373)**
Translation adjustments for the year	(3,419,465)	(9,353,914)
Retirement benefit obligations	818	388
Other comprehensive income for the year	**(3,418,647)**	**(9,353,526)**
Total comprehensive income	**(13,464,772)**	**(13,942,899)**

The explanatory notes are an integral part of the parent company and consolidated financial statements.

STATEMENT OF CHANGES IN NET EQUITY

YEARS ENDED AS OF DECEMBER 31
IN THOUSANDS OF REAIS – BRL

	Capital social	Capital reserves			Carrying value adjustments	Accumulated losses	Total
		Special monetary restatement of PPE	Premium on share subscription	Tax incentive reserves			
Balance as of December 31, 2019	**297,025**	**786**	**1,681**	**10**	**885,138**	**(38,262,780)**	**(37,078,140)**
Loss for the year	-	-	-	-	-	(4,589,373)	(4,589,373)
Other comprehensive income							
Translation adjustments for the year	-	-	-	-	(9,353,914)	-	(9,353,914)
Retirement benefit obligation	-	-	-	-	388	-	388
Total comprehensive income	-	**-**	**-**	**-**	**(9,353,526)**	**-**	**(9,353,526)**
Balance as of December 31, 2020	**297,025**	**786**	**1,681**	**10**	**(8,468,388)**	**(42,852,153)**	**(51,021,039)**
Loss for the year	-	-	-	-	-	(10,046,125)	(10,046,125)
Other comprehensive income							
Translation adjustments for the year	-	-	-	-	(3,419,465)	-	(3,419,465)
Retirement benefit obligation	-	-	-	-	818	-	818
Total comprehensive income	-	-	-	-	(3,418,647)	-	(3,418,647)
Balance as of December 31, 2021	**297,025**	**786**	**1,681**	**10**	**(11,887,035)**	**(52,898,278)**	**(64,485,811)**

The explanatory notes are an integral part of the parent company and consolidated financial statements.

STATEMENTS OF CASH FLOWS

YEARS ENDED AS OF DECEMBER 31
IN THOUSANDS OF REAIS – BRL

Cash flows from operating activities		**Parent company**		**Consolidated**	
	Note	**2021**	**2020**	**2021**	**2020**
(Loss) for the year before taxation		(9,525,599)	(2,216,288)	(9,525,480)	(2,216,091)
Adjustments to reconcile loss before taxes to cash from operations:					
Depreciation and amortization	12 and 13	546,281	253,893	546,290	253,896
Provision (write-back) for expected credit loss	6	1,094	6,786	1,094	6,786
Provision for price revision	6	25,303	-	25,303	-
Provision (write-back) for inventory obsolescence	7	1,110	(112)	1,110	(112)
Provision (write-back) for ICMS losses - ES	26	44,350	(7,173)	44,350	(7,173)
Provision (write-back) for socio-environmental and socioeconomic recovery	24 and 26	16,690,614	3,200,947	16,690,614	3,200,947
Germano dam decommissioning provision (write-back)	26	(462,837)	(346,713)	(462,837)	(346,713)
Provision contributions to the Renova Foundation	26	4,300,135	3,800,000	4,300,135	3,800,000
Provision (write-back) for realization of other assets		948	782	948	782
Provision (write-back) for contingencies	26	(74,894)	12,367	(74,894)	12,367
Provision (write-back) for other liabilities		61,705	2,766	61,705	2,766
Provision (write-back) for impairment loss	12 and 13	(9,040,118)	(664,993)	(9,040,118)	(664,993)
Loss on property, plant and equipment		33	157	33	157
Equity in the results of investees	11	(19,877)	222	-	-
Financial Charges		2,262,248	3,312,445	2,262,248	3,312,445
Exchange variance gains and losses - assets and liabilities		(3,329,401)	(9,651,355)	(3,326,586)	(9,645,614)
		1,481,095	**(2,296,269)**	**1,503,915**	**(2,290,550)**
(Increase) decrease in operating assets:					
Trade accounts receivable		(472,322)	2,066	(472,165)	2,541
Inventory		(108,725)	(83,149)	(108,724)	(83,150)
Recoverable taxes		(112,406)	10,149	(112,402)	10,139
Court deposits		(68,950)	(40,009)	(68,950)	(40,009)
Prepaid expenses		553	(968)	51	(1,108)

>> TO BE CONTINUED

>> CONTINUATION

Cash flows from operating activities	Note	Parent company 2021	Parent company 2020	Consolidated 2021	Consolidated 2020
Other assets		(35,266)	4,333	(35,265)	4,334
Increase (decrease) in operating liabilities:					
Trade payables		217,363	6,257	217,328	6,251
Taxes payable		251,829	65,454	251,784	65,662
Payroll, provisions and social contributions		11,674	4,705	11,633	4,785
Income tax paid		(196,658)	(36,787)	(196,740)	(37,141)
Interest payment		(5,455)	(831)	(5,455)	(831)
Other liabilities		78,575	80,902	59,028	75,668
Net cash provided by (used in) operating activities		**1,041,307**	**(2,284,147)**	**1,044,038**	**(2,283,409)**
Cash flows from investing activities					
Purchase of property, plant and equipment and intangible assets	12 and 13	(364,993)	(688,772)	(365,002)	(688,777)
Net cash used in investing activities		**(364,993)**	**(688,772)**	**(365,002)**	**(688,777)**
Cash flows from financing activities					
Restricted short-term investments		1,410	(343)	1,410	(343)
Financing obtained from related parties	15	1,231,872	2,987,545	1,231,872	2,987,545
Amortized cost - Financing obtained from third parties		3,858	3,856	3,858	3,856
Payment of loans and financing - third parties	15	(4,071)	(366)	(4,071)	(366)
Net cash from financing activities		**1,233,069**	**2,990,692**	**1,233,069**	**2,990,692**
Effects of exchange rate changes on cash and cash equivalents		4,824	(452)	4,824	(452)
Net increase in balance of cash and cash equivalents		**1,914,207**	**17,321**	**1,916,929**	**18,054**
Cash and cash equivalents at the beginning of year		79,938	62,617	83,846	65,792
Cash and cash equivalents at the end of the year		1,994,145	79,938	2,000,775	83,846

The explanatory notes are an integral part of the parent company and consolidated financial statements.

STATEMENTS OF VALUE ADDED

YEARS ENDED AS OF DECEMBER 31
IN THOUSANDS OF REAIS – BRL

Revenue		Parent company		Consolidated	
	Note	2021	2020	2021	2020
Sales of goods, products and services		9,028,250	123,916	9,028,250	123,916
Other revenue		7,802	20,423	7,802	20,423
Revenue relating to construction of company assets		233,952	674,044	233,952	674,044
Provision for expected credit loss		(1,094)	(6,786)	(1,094)	(6,786)
		9,268,910	**811,597**	**9,268,910**	**811,597**
Consumables acquired from third parties					
Cost of goods sold and services rendered		(2,411,614)	(1,759,943)	(2,408,692)	1,758,487)
Material, electricity, outsourced services and other		(24,760,085)	(4,048,471)	(24,564,185)	(3,827,880)
Loss/recovery of asset values		9,038,027	669,317	9,038,027	669,317
		(18,133,672)	**(5,139,097)**	**(17,934,850)**	**(4,917,050)**
Gross		**(8,864,762)**	**(4,327,500)**	**(8,665,940)**	**(4,105,453)**
Depreciation and amortization	12 and 13	(546,281)	(253,893)	(546,290)	(253,896)
Net value added produced by the Company		**(9,411,043)**	**(4,581,393)**	**(9,212,230)**	**(4,359,349)**
Transferred value added					
Equity in the results of investees	11	19,877	(222)	-	-
Finance income		3,093,918	6,723,803	3,094,169	6,723,807
		3,113,795	**6,723,581**	**3,094,169**	**6,723,807**
Total value added to be distributed		**(6,297,248)**	**2,142,188**	**(6,118,061)**	**2,364,458**
Distribution of value added		**(6,297,248)**	**2,142,188**	**(6,118,061)**	**2,364,458**
Personnel					
Direct compensation		177,796	154,051	180,095	155,327
Benefits		65,440	60,566	66,085	60,725
Government Severance Indemnity Fund for Employees (FGTS)		13,524	11,866	13,524	11,866
Taxes					
Federal		716,307	2,439,918	892,395	2,660,811
State		134,833	3,537	134,833	3,537

>> TO BE CONTINUED

>> CONTINUATION

Revenue	Note	Parent company 2021	Parent company 2020	Consolidated 2021	Consolidated 2020
Municipal		5,580	5,877	5,580	5,877
Interest expenses					
Interest on loans, financing and other debt items		2,635,397	4,055,746	2,635,552	4,055,688
Interest on stockholders' equity					
Loss for the year		(10,046,125)	(4,589,373)	(10,046,125)	(4,589,373)

The explanatory notes are an integral part of the parent company and consolidated financial statements.

1. OPERATING BACKGROUND

Samarco Mineração S.A. - In Judicial Reorganization ("Samarco", "Company" or "Parent Company"), a private company, is a joint venture owned by Vale S.A. ("Vale") and BHP Billiton Brasil Ltda. ("BHP Billiton Brasil"), each with a 50% shareholding. Headquartered in Belo Horizonte - Minas Gerais (MG). Samarco operates an integrated enterprise, which comprises the mining and processing of low grade iron ore as well as the transportation of this concentrated ore by pipelines connecting the two operating units of the Company, from Minas Gerais (MG) to Espírito Santo (ES). At the Ponta Ubu unit, in the municipality of Anchieta/ES, the following processes take place: preparation and pelletizing (transformation of concentrated ore filtered into pellets, our main product), and production outshipment from our own maritime terminal (Anchieta/ES). The production is sold mostly on the foreign market.

The ore deposits owned by Samarco, prior to the collapse of the Fundão dam in November 2015, were based on mineral resources located in the Germano/Alegria areas, in the municipalities of Mariana and Ouro Preto, MG, which corresponded to a volume of some 7.4 billion tons (not audited). According to the technical and economic context and considering the mineral resource and its specificities, the recoverable (or minable) reserves were of the order of 2.9 billion tons (not audited) as of October 2015.

After the failure of the Fundão tailings dam, in November 5, 2015, described in explanatory note 1 (a) and explanatory note 3, and the cessation of operations in the Germano/ Alegria areas, the Company is reviewing the mineral reserves.

a) Failure of the Fundão dam

As detailed in explanatory note 3, in November 5, 2015, as a consequence of the collapse of the Fundão tailings dam, the operations in Germano/Alegria ("Mariana complex") were temporarily stopped as determined by government agencies - State Secretariat for the Environment and Sustainable Development ("SEMAD") and National Department of Mineral Production ("DNPM"). The latter became the National Mining Agency ("ANM"). The Company has been working to meet the legal requirements established by the authorities regarding the remediation of social and environmental impacts caused by the collapse of the Fundão tailings dam, through Renova Foundation, as described in Note 3(d).

On March 2, 2016, Samarco and its shareholders, Vale and BHP Billiton Brasil, signed a Term of Transaction and Conduct Adjustment, ("TTAC") as per explanatory note 3 (d).

On June 23, 2016, Samarco presented to SEMAD, the Environmental Impact Study and the respective Environmental Impact Report (EIA/RIMA) of the licensing process for the use of a pit for the disposal of tailings - SDR Cava de Alegria Sul. In December 2016, public hearings were held - coordinated by SEMAD - in the municipalities of Mariana and Ouro Preto. For this process, the joint Preliminary License and the Installation License (LP + LI) No. 02 was issued on December 13, 2017. On September 28, 2018, the Company signed a Term of Commitment with the Public Prosecution Office of Minas Gerais ("MPMG") to contract an independent technical audit to monitor the implementation of the SDR Cava de Alegria Sul. With the revalidations of the concessions granted by the municipal councils of Mariana and Ouro Preto and this important alignment with the Public Prosecution Office, Samarco was allowed to start the necessary activities for the preparation works for the Alegria Sul Pit.

Samarco also executed with the Public Prosecution Office of Minas Gerais and the Federal Public Prosecution Office, on September 19, 2019, a term of commitment to carry out an Independent Technical Audit of the analysis of the integrity of the Company's pipeline II.

On October 25, 2019, Samarco was granted a Corrective Operation Permit (LOC) No. 020/2019 to resume operating activities in the Germano Complex. The permit was approved by the Chamber of Mining Activities

(CMI) of the State Council for Environmental Policy (COPAM).

Acquiring the LOC means that Samarco has all the necessary environmental permits to resume its operations.

After complying with all legal requirements, on October 27, 2020, ANM issued a Notice for Reopening the Minerals Handling Unit, providing the Company with all the required permits, from the mining regulatory point of view, to resume its operations.

Samarco resumed its operations in December 2020 using new technologies for stacking dry tailings. Thus, activities related to the extraction of iron ore, the beneficiation plants in Germano, Mariana, and the pelletizing plant in the Ubu Complex, are taking place after the implementation of an ore tailings filtration system. The operation of the filtration plant started on November 23, 2020. Still in 2020, the Company carried out operating readiness activities that included equipment maintenance, which were also of paramount importance for the resumption of its operations.

The resumption of Samarco's activities is followed by an independent audit by the Public Prosecution Office of Minas Gerais, according to the Term of Commitment signed by Samarco and MPMG on September 9, 2019.

Samarco, as well as its shareholders, Vale and BHP Billiton Brasil, are maintainers the Renova Foundation. For the fiscal year ended December 31, 2021, Vale and BHP Billiton Brasil contributed to the Renova Foundation with BRL 4,300,135 (3,800,000 in 2020), while Samarco contributed BRL 3,699,865 (BRL 9,263 in 2020). The contributions to the Renova Foundation aim to continue the social and environmental remediation and compensation programs, to comply with the obligations set out in the TTAC. In January 2021, a month in which the Company had not generated its own cash yet, shareholders also contributed a total of BRL 260,476 (BRL 2,009,102 in 2020) to Samarco, referring to short-term loans, in order to support the dam stabilization works, working capital needs and TTAC programs executed and controlled by Samarco.

As mentioned in explanatory note 3 (m), as a result of the collapse of the dam, Samarco is a party in several legal and administrative, civil, environmental and labor lawsuits, for which the Company cannot reliably estimate the results and final consequences.

b) Going Concern

Samarco's main operations consist of the integrated mining and concentration project of low grade iron ore in the municipality of Mariana, in the State of Minas Gerais, as well as the transportation of this concentrated ore from the Company's plants located in Minas Gerais to the preparation and pelletizing plants in Espírito Santo, through pipelines, and resulting exportation through its own port terminal.

Due to the collapse of the Fundão dam, on November 5, 2015 described in explanatory note 1 (a) and explanatory note 3, the extraction and transformation operations were suspended. This significantly affected the Company's ability to generate positive cash flows and meet its financial obligations.

As of December 31, 2021, the Company has negative net equity of BRL 64,485,811 (BRL 51,021,040 negative as of December 31, 2020) in the Parent Company and Consolidated and the current liabilities exceed the current assets by BRL 56,808,109 (BRL 38,758,995 as of December 31, 2020) in the Parent Company and BRL 56,760,927 (BRL 38,734,486 as of December 31, 2020) in the Consolidated. For the fiscal year 2021, the Company also identified cash flows from operations of BRL 1,041,307 (BRL 2,284,147 negative in 2020) in the Parent Company and BRL 1,044,038 (BRL 2,283,409 negative in 2020) in the Consolidated.

As disclosed in explanatory note 15, the Company did not meet certain obligations in its loan and funds agreements. As a result of these non-compliances, all loans and financing were reclassified to short term, which also reflect the accrued interest on overdue installments and the application of delinquent interest. The

Company has loans and financing (including financial charges payable) in the total amount of BRL 37,380,505 (BRL 33,081,251 as of December 31, 2020), in the Parent Company and in the Consolidated, which are classified as current as of December 31, 2021.

Additionally, Samarco is also a party in several legal and administrative lawsuits involving civil, labor and environmental issues, as disclosed in explanatory note 3 (l). Samarco negotiated with public entities the TTAC and other agreements, in some relevant actions, which created obligations for the Company, according to the terms of such instruments. Furthermore, in several of these proceedings, the Company is subject to precautionary measures, such as compulsory court deposits and account blocking, which may further affect its cash availability. Unfavorable results related to these existing litigations may significantly worsen the Company's equity position.

It is worth mentioning that in February 2019, there was a change in legislation involving dam safety policies (law No. 23,291, of February 25, 2019, State Policy for Dam Safety). In line with the aforementioned law, the joint SEMAD/FEAM Resolution No. 2,784, of March 21, 2019, decrees, among other determinations, the decharacterization/decommissioning of all tailings dams that use or used the upstream raising method, related to mining activities in the state of Minas Gerais.

In view of this determination, considering also Technical Opinion No. 02/2019 - SPM/GSBM-GFAM/LPN-ESGJ, which, with a new interpretation, returns the Germano pit structure to the National Registry of Mining Dams - CNBM, in the Integrated Management System for Mining Dams - SIGBM, preventing its use for the disposal of tailings, as it is a structure that was raised by the upstream method.

Additionally, in view of the new legislation and aiming at greater safety in the resumption of operations (as mentioned in explanatory note 1(a)), Samarco revised the design of the tailings disposal system, with emphasis on: (i) removal of the containment dike of the Alegria Sul pit, adopting the "confined pit" disposal system; and (ii) execution of the Filtration Project that will enable the dewatering of the sandy tailings to allow the disposal of this material in piles, thus extending the service life of the existing structures.

Despite this overall challenging scenario, at the end of November 2020, the Company finalized the operational readiness for tailings filtration. The physical advances in the operational readiness of the Germano, Pipeline and Ubu sites were practically concluded in December 2020. The equipment of the entire production chain was tested in cold (no load) and hot (with load) commissioning. The first shipment of pellets took place in January 2021.

With the gradually resumption of operations at the end of 2020, Samarco became able to partially contribute to the Renova Foundation's financing, complying with the terms and requirements of the TTAC Together with its shareholders, Vale and BHP Billiton Brasil, in 2021 contributions were made in the amount of BRL 8,000,000 to Renova Foundation. The contributions are made in accordance with the monthly needs of the Renova Foundation, previously approved by the internal governance bodies.

It should be noted that on February 25, 2022, Samarco signed a Term of Commitment with the State of Minas Gerais to de-characterize the Germano and Cava do Germano Dam, in Mariana, as per explanatory note 33.

c) Judicial Reorganization (RJ)

In late 2020 and early 2021, part of Samarco's financial creditors filed three enforcement actions in Brazil and three in the US with the purpose of receiving approximately USD 3,300 related to Samarco's Bond issuances and export prepayment agreements. In view of the impending asset constriction and the critical period for the resumption of operations after a five-year suspension, as a way of allowing Samarco to maintain its production activities and preserve its social function of generating employment, income and taxes, Samarco filed, on April 9, 2021, a request for Judicial Reorganization, registered under No. 5046520-86.2021.8.13.0024, which is pending before the 2nd Business Court of the District of Belo Horizonte/MG.

The measure aims at allowing the renegotiation of the mostly financial debt that is in hands of foreign funds, in order to adapt it to Samarco's new situation. The debt declared subject to bankruptcy creditors' joint claim of the Judicial Reorganization is approximately BRL 50,737,050. The amount may change due to updates, settlement of credits arising from legal discussions, judgment of challenges, variation in the dollar exchange rate, among others.

In a decision handed down on April 12, 2021, the processing of Samarco's Judicial Reorganization request was granted (fls. 5295/5302).

On April 19, 2021, Samarco filed an auxiliary insolvency application in the United States, seeking, in a preliminary order, to protect its assets in this territory due to the approval of the Judicial Reorganization process, as provided for in Chapter 15 of the North American Bankruptcy Code (Bankruptcy Code). On April 22, 2021, the Bankruptcy Court of the Southern District of New York (United Stated Bankruptcy Court for the Southern District of New York) issued a favorable decision to Samarco, on a preliminary and provisional basis until the final decision of this court on the application for recognition of the effects of Judicial Reorganization in North American territory.

The Notice with the list of creditors presented by Samarco, mentioned in article 52, § 1 of Law # 11,101/05 was published in the Diário de Justiça Eletrônico (Electronic Court Gazette) on April 30, 2021. Said notice was also posted by the Judicial Administrators on the website (recuperacaojudicialsamarco.com.br), on May 3, 2021. On that same date, Samarco published the above-mentioned notice on its website, which can be found at: EDITAL20210430.PDF (samarco.com).

On May 13, 2021, the Southern District of New York Court issued an order acknowledging Samarco's Judicial Reorganization as a principal foreign record for the purposes of Chapter 15. Among other issues, the decision suspends legal proceedings against the Company in the US.

On June 10, 2021, Samarco presented the first version of its Judicial Reorganization Plan ("PRJ"), pursuant to article 53 of Law No. 11,101/05. The PRJ encompasses the conditions for restructuring Samarco's debt, considering that the feasibility of complying with it is proven by the Reports attached to the PRJ.

On July 5, 2021, the Judicial Administration presented its List of Creditors, pursuant to Art. 7, paragraph 2 of the LRF, and it was rectified and presented again in the record on September 3, 2021. The Notice containing the rectified list of creditors was published on September 28, 2021 and is available on the Judicial Administration website (recuperacaojudicialsamarco.com.br).

A General Meeting of Creditors was convened to resolve on the Judicial Reorganization Plan presented by Samarco. The call notice was published on February 07, 2022 with the plan for the AGC to be held, on the 1st call, on February 23, 2022 and, on the 2nd call, on March 10, 2022.

On February 23, 2022, Samarco presented a new version of its judicial recovery plan, which was later replaced by the version filed in the process on March 10, 2022.

On March 10, 2022, the AGC was held for deliberation on the Judicial Reorganization Plan presented by Samarco. After the presentation of the most recent version of said Plan, the creditors present approved the adjournment of the Meeting to April 1, 2022.

On April 1, 2022, the AGC was resumed and, after the presentation of the updated version of the Judicial Reorganization Plan, the creditors present requested and approved a new suspension of the Meeting, which will resume on April 18, 2022.

On April 18, 2022, the AGC was resumed and the creditors rejected the reorganization plan presented by Samarco. As provided for in §4 of Article 56 of Law 11.101/05, the possibility of submission of an alternative Judicial Reorganization Plan to be formulated by creditors who fulfill legal requirements was also approved of a period of 30 (thirty) days.

Samarco continues interested in a negotiate with creditors of all classes and it is committed to reaching an agreement that is economically viable and would allow the continuity of its operations and the fulfillment of all its obligations.

d) Company equity interests

Samarco participates in the following companies (jointly, the "Group").

- Samarco Iron Ore Europe B.V. ("Samarco Europe") - direct interest of 100% - headquartered in the Netherlands; this company was incorporated on October 13, 2000 to provide marketing and selling services for iron ore produced by Samarco. It also provides support to clients through technical seminars and market studies.

- Samarco Asia Ltd. ("Samarco Asia") - indirect interest of 100% - headquartered in Hong Kong; this company was acquired on July 10, 2001 by Samarco Europe to provide marketing and sales services through commercial representation in the Asia-Pacific region.

- Samarco Finance Ltd. ("Samarco Finance") - direct interest of 100% - headquartered in the Cayman Islands, this company was incorporated on February 21, 2000 to optimize Samarco's foreign-trade business, by supporting exports (resale) of iron ore acquired from the Company to designated clients and to raise funds on the international market and subsequently onlend them to the Company.

2. PRESENTATION OF THE FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

The main accounting policies applied in the preparation of these financial statements are outlined below. These policies were applied consistently over the presented years, unless otherwise stated.

2.1 Presentation of financial statements

a) Statement of compliance

The parent company and consolidated financial statements have been prepared according to the accounting practices adopted in Brazil (BR GAAP) and considering all of the relevant information pertinent to the financial statements themselves, to the exclusion of all others, as consistent with the data used by management in its administration of the Company.

The statement of value added was additionally prepared according to accounting pronouncement CPC 09 - Statement of Value Added, presented as an integral part of the financial statements pursuant to BR GAAP.

The issue of these financial statements was authorized by the Executive Board on April 20, 2022.

Details on the accounting policies of the Company and its subsidiaries are presented in explanatory notes No. 2.5 to No. 2.20.

When preparing these financial statements, Management used judgments and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and assumptions are continuously reviewed. The revisions to the estimates are recognized prospectively. Those areas that require a higher level of judgment and have greater complexity, as well as the areas in which the assumptions and estimates are significant for the financial statements, are disclosed in explanatory note 2.2.

The accounting practices adopted in Brazil comprise those included in the Brazilian company law and the statements, guidelines and interpretations issued by the Accounting Pronouncements Committee (CPC) and by the Federal Accounting Council (CFC).

(b) Basis of preparation

The financial statements were developed on the basis of historical cost, except for certain financial instruments measured by their fair value, as described in the accounting practices below. The historical cost is generally based on the fair value of the payments made in exchange for assets.

2.2 Critical accounting estimates and judgments

When preparing these financial statements, Management used judgments and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Accounting estimates and judgments are continuously reviewed, based on previous experience and other factors, including expectations of future events deemed reasonable for the circumstances. The revisions to the estimates are recognized prospectively.

(a) Judgments

Information on judgments made when applying accounting policies that have a significant effect on the amounts recognized in the financial statements is included in the following explanatory notes:

Explanatory note 12: Lease term: if the Company is reasonably sure of exercising extension options.

Explanatory note 3(g) and 19: The management is analyzed by the Company's Management together with its legal advisors. The Company's analyses include factors such as hierarchy of laws, case law available, recent decisions delivered by courts and their relevance in the legal framework.

Explanatory note 28: Uncertainty about income tax treatment: When it is not clear how tax law applies to a specific transaction or circumstance.

(b) Use of estimates

Based on assumptions, the Company makes estimates concerning the future. The resulting accountings estimates will, by definition, seldom be equal the related actual results. These estimates are based on the best knowledge existing in each financial year. Changes in facts and circumstances could lead to a revision of estimates; actual future results may differ from those estimated.

Information on the uncertainties related to estimates and assumptions as of December 31, 2021 that present a significant risk likely to cause a significant adjustment to the carrying amounts of assets and liabilities for the next fiscal year is included below.

(i) Provision for socio-environmental and socioeconomic recovery

The provision for socio-environmental and socioeconomic recovery is made for areas impacted or reparation of damages, which generate a current obligation for the Company. This process involves complex estimates for determining the future disbursement expected by management and by its independent consultants, as informed in explanatory note 3.

(ii) Income tax

Current and deferred income tax is calculated according to interpretations resulting from the legislation in force. This process normally involves complex estimates to determine the taxable income and deductible or taxable temporary differences. The measurement of the recoverability of deferred tax on temporary differences considers the estimated taxable income based on future cash flows, as informed in explanatory note 28.

(iii) Reduction to the impairment of assets

The Company evaluates its assets with a defined service life yearly for the existence of indicators of impairment. If such indicators are found, the recoverability of its tangible and intangible assets, grouped by cash generating unit, is tested. The discounted cash flow criterion is normally used, which depends on several estimates, subject to market conditions at the time the impairment test is conducted, as informed in explanatory note 12.1.

(iv) Mineral reserves and service life of mines

The estimated proven and probable reserves are periodically evaluated and updated. These reserves are determined by using generally accepted geological estimation techniques. The estimated volume of the mineral reserves is the basis for determining the depletion of the respective mines and the estimated service life is a prime factor for quantifying the provision for environmental recovery of the mines, as informed in explanatory note 13.1. Any change in the estimated volume of reserves of the mine and the service life of the underlying assets could have a significant impact on the depreciation, depletion and amortization charges recognized in the financial statements. Changes in the estimated service life of the mine could affect the estimated provision for environmental expenses, the recovery thereof and impairment analyses.

(v) Asset retirement

The Company recognizes an obligation to demobilize assets and engage in environmental rehabilitation in the respective periods. This provision is determined based on the present value of the cash flows necessary to demobilize the assets and perform the environmental rehabilitation. The Company considers the accounting estimates related to the recovery of degraded areas and the cost of closing a mine as a critical accounting estimate as it involves large provisions and estimates involving a range of assumptions, such as interest rates, inflation, service life of the asset considering the current stage of depletion as well as the projected depletion dates of each mine. These estimates are revised annually, as informed in explanatory note 20.

(vi) Provision for contingencies

A provision is acknowledged when the obligation is considered probable by Management, based on the information and assessments of its internal and external legal advisors, and that the funds that will be required to settle the obligation can be measured with reasonable certainty. The consideration of the obligation is an expense for the year. This obligation is updated according to the development of the lawsuit or financial burdens incurred, and can be reversed if the estimated loss is no longer considered probable due to changes in circumstances, or written off when the obligation is settled.

2.3 Consolidation

The Company's consolidated financial statements, which include the financial statements of its subsidiaries, have been prepared according to applicable consolidation practices and legal provisions. Balances, any unrealized revenues, expenses and profits and derivatives between companies are eliminated from the consolidated financial statements. Unrealized gains deriving from transactions with investees recorded by the equity method are eliminated against the investment in proportion to the Group's interest in the investee.

a) Subsidiaries

Subsidiaries are all entities over which the Group exercises control. The Group controls an entity when it is exposed or entitled to variable returns deriving from its involvement in the entity and can influence its returns due to the power it exercises over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(b) Joint operations

A joint operation is a joint venture that involves the use of assets and other resources by the owners. Each owner uses their own resources in the joint operation. Joint operations are recorded in the financial statements to represent the Group's contractual rights and obligations. The assets, liabilities, revenue and expenses related to interests in joint operations are therefore recorded individually in the financial statements. The Company has an interest of 49% in the Guilman-Amorim hydroelectric power plant; the remaining 51% of the joint operation belongs to partner Arcelor Mittal Brasil S.A.

(c) Investments

In the parent company financial statements, subsidiaries are accounted for using the equity method based on the financial statements of the investees. The financial statements of investments based abroad were prepared by adopting accounting practices consistent with those observed by the Company. The subsidiaries have the same functional currency as the parent company, the US dollar.

2.4 Foreign currency translation

(a) Functional currency

The items in the financial statements of each one of the companies of the Group were measured using the US dollar ("USD") which is the functional currency of the Company and its subsidiaries, as it is the currency of the main economic environment in which they operate, generate and consume cash.

(b) Presentation currency

According to Brazilian legislation, these financial statements are being presented in Brazilian

Reais, rounded to the nearest thousand. Financial statements prepared in the Company's functional currency are translated to Reais by using the following criteria:

- Assets and liabilities are translated using the closing rate at the respective reporting date.

- Accounts in the statements of operations, comprehensive income (loss), cash flows and value added are translated at the rates in effect on the transaction dates.

- Stockholders' equity at historical rate.

The exchange gain/loss resulting from the translation referred to above is recognized in a specific account of stockholders' equity, under "Carrying value adjustments".

(c) Transactions and balances

Transactions in currencies other than the Company's functional currency are translated into its functional currency at the exchange rates prevailing on the transaction dates or on the valuation dates, when the items are remeasured. Exchange gains and losses resulting from the settlement of these transactions and from the translation at the exchange rates at the end of the year for monetary assets and liabilities in foreign currency are recognized in the income statement in the financial result.

(In thousands of reais - BRL, unless otherwise stated)

The parent company and consolidated financial statements measured in the functional currency (US$) are as follows:

Financial Statements - USD	Parent company		Consolidated	
	2021	2020	2021	2020
Current assets				
Cash and cash equivalents	357,362	15,367	358,551	16,119
Restricted short-term investments	258	548	258	548
Accounts receivable	80,315	424	79,920	24
Inventory	95,523	55,018	95,523	55,018
Recoverable taxes	46,618	7,672	46,619	7,674
Prepaid expenses	666	759	855	865
Advances to supplier	9,088	3,370	9,088	3,370
Other accounts receivable	-	831	-	831
Other assets	2,419	2,002	2,420	2,003
Total current assets	**592,249**	**85,991**	**593,234**	**86,452**
Non-current				
Court deposits	361,143	374,549	361,143	374,549
Recoverable taxes	13,544	14,769	13,544	14,770
Inventory	27,570	55,362	27,570	55,362
Advances to supplier	7,901	8,484	7,901	8,484
Other assets	3,556	2,943	3,556	2,943
Investments	8,464	4,721	-	-
Property, plant and equipment	5,253,731	3,905,358	5,253,733	3,905,360
Intangible assets	55,134	39,896	55,134	39,896
Total non-current assets	**5,731,043**	**4,406,082**	**5,722,581**	**4,401,364**
Total assets	**6,323,292**	**4,492,073**	**6,315,815**	**4,487,816**

(In thousands of reais - BRL, unless otherwise stated)

Financial Statements - USD	Parent company		Consolidated	
	2021	2020	2021	2020
Current liabilities				
Trade payables	85,286	49,717	85,298	49,731
Loans and financing	5,527,640	5,449,047	5,527,640	5,449,047
Financial charges payable	1,171,496	917,507	1,171,496	917,507
Payroll, provisions and social contributions	16,237	5,662	16,253	5,687
Taxes payable	135,090	102,452	135,085	102,452
Provision for income tax	-	-	9	2
Other provisions	3,801,881	1,001,875	3,801,881	1,001,875
Other liabilities	35,562	19,118	28,059	14,822
Total current liabilities	**10,773,192**	**7,545,378**	**10,765,721**	**7,541,123**
Non-current				
Taxes payable	25,544	21,582	25,544	21,582
Dividend	502,795	539,933	502,795	539,933
Provisions for contingencies	9,062	25,562	9,062	25,562
Deferred Income Tax	1,042,194	1,027,777	1,042,188	1,027,775
Other provisions	2,908,940	3,171,258	2,908,940	3,171,258
Other liabilities in the country of related parties	2,590,841	1,954,639	2,590,841	1,954,639
Other liabilities	27,642	25,205	27,642	25,205
Total non-current liabilities	**7,107,018**	**6,765,956**	**7,107,012**	**6,765,954**
Equity				
Capital	409,774	409,774	409,774	409,774
Capital reserves	1,620	1,619	1,620	1,619
Carrying value adjustments	(1,043)	(1,189)	(1,043)	(1,189)
Accumulated losses	(11,967,269)	(10,229,465)	(11,967,269)	(10,229,465)
Total equity	**(11,556,918)**	**(9,819,261)**	**(11,556,918)**	**(9,819,261)**
Total liabilities and equity	**6,323,292**	**4,492,073**	**6,315,815**	**4,487,816**

(In thousands of reais - BRL, unless otherwise stated)

Income Statements - USD	Parent company		Consolidated	
	2021	2020	2021	2020
Revenue	1,656,286	24,658	1,656,286	24,658
Cost of goods sold and services rendered	(475,907)	(258,933)	(475,907)	(258,933)
Gross profit (loss)	**1,180,379**	**(234,275)**	**1,180,379**	**(234,275)**
Operating expenses				
Selling	(25,021)	(20,263)	(21,268)	(20,237)
General and administrative	(28,803)	(13,026)	(28,803)	(13,026)
Other operating (expenses) income, net	(2,860,914)	(642,614)	(2,860,918)	(642,623)
Equity in the results of investees	3,743	5	-	-
Operating (loss) before finance result	**(1,730,616)**	**(910,173)**	**(1,730,610)**	**(910,161)**
Finance expenses, net				
Finance income	4,578	9,866	4,622	9,867
Finance expenses	(461,802)	(702,123)	(461,809)	(702,128)
Foreign exchange gains/losses, net	534,558	1,335,942	534,538	1,335,958
(Loss) before taxation	**(1,653,282)**	**(266,488)**	**(1,653,259)**	**(266,464)**
Current income tax	(6,421)	-	(6,444)	(24)
Deferred income tax	(78,101)	(352,263)	(78,101)	(352,263)
Loss for the year	**(1,737,804)**	**(618,751)**	**(1,737,804)**	**(618,751)**

Statements of Comprehensive Income (loss) - USD	Parent Company and Consolidated	
	2021	2020
Loss for the year	**(1,737,804)**	**(618,751)**
Retirement benefit obligations	146	75
Other comprehensive income for the year	**146**	**75**
Total comprehensive income	**(1,737,658)**	**(618,676)**

(In thousands of reais - BRL, unless otherwise stated)

Statements of changes in equity - USD

	Capital social	Capital reserves		Carrying value adjustments	Accumulated losses	Total
		Premium on share subscription	Tax incentive reserves			
Balance as of December 31, 2019	**409,774**	**1,617**	**3**	**(1,265)**	**(9,610,714)**	**(9,200,585)**
Loss for the year	-	-	-	-	(618,751)	(618,751)
Other comprehensive income						
Retirement benefit obligation	-	-	-	75	-	75
Total comprehensive income	-	**-**	**-**	**75**	**-**	**75**
Balance as of December 31, 2020	**409,774**	**1,617**	**3**	**(1,190)**	**(10,229,465)**	**(9,819,261)**
Loss for the year					(1,737,804)	(1,737,804)
Other comprehensive income						
Retirement benefit obligation	-	-	-	147	-	147
Total comprehensive income	-	-	-	147	-	147
Balance as of December 31, 2021	**409,774**	**1,617**	**3**	**(1,043)**	**(11,967,269)**	**(11,556,918)**

(In thousands of reais - BRL, unless otherwise stated)

Statements of cash flows - USD

Cash flows from operating activities	Parent company		Consolidated	
	2021	2020	2021	2020
(Loss) before taxation	(1,653,282)	(266,488)	(1,653,259)	(266,464)
Adjustments to reconcile loss before taxes to cash from operations:				
Depreciation and amortization	204,094	100,064	204,094	100,064
Provision for expected credit loss	208	1,364	208	1,364
Provision for price revision	9,974	-	9,974	-
Provision (write-back) for inventory obsolescence	206	(20)	206	(20)
Provision (write-back) for ICMS losses - ES	8,734	(1,338)	8,734	(1,338)
Provision (write-back) for socio-environmental and socioeconomic recovery	3,043,125	599,954	3,043,125	599,954
Germano dam decommissioning provision (write-back)	(85,571)	(65,323)	(85,571)	(65,323)
Provision contributions to the Renova Foundation	775,486	724,532	775,486	724,532
Provision (write-back) for realization of other assets	181	140	181	140
Provision (write-back) for contingencies	(13,707)	2,359	(13,707)	2,359
Provision (write-back) for other liabilities	11,132	541	11,132	541
Provision (write-back) for impairment loss	(1,739,789)	(668,367)	(1,739,789)	(668,367)
Loss on property, plant and equipment	12	263	12	263
Equity in the results of investees	(3,743)	(5)	-	-
Financial Charges	417,958	644,461	417,958	644,461
Exchange variance gains and losses – assets and liabilities	(753,398)	(1,598,709)	(753,400)	(1,598,656)
	221,620	**(526,572)**	**225,384**	**(526,490)**
(Increase) decrease in operating assets:				
Trade accounts receivable	(90,064)	967	(90,069)	967
Inventory	(12,919)	(15,299)	(12,919)	(15,299)
Recoverable taxes	(18,197)	1,231	(18,195)	1,230
Court deposits	(14,301)	(12,533)	(14,301)	(12,533)
Prepaid expenses	93	(74)	10	(77)
Other assets	(6,006)	4,107	(6,006)	4,106

>> TO BE CONTINUED

(In thousands of reais - BRL, unless otherwise stated)

>> CONTINUATION

Cash flows from operating activities	Parent company		Consolidated	
	2021	2020	2021	2020
Increase (decrease) in operating liabilities:				
Trade payables	35,624	(11,841)	35,622	(11,844)
Taxes payable	45,957	9,241	45,953	9,240
Increase (decrease) in operating liabilities:				
Payroll, provisions and social contributions	2,172	323	2,163	336
Income tax paid	(36,696)	(7,080)	(36,712)	(7,143)
Interest payment	(996)	(164)	(996)	(164)
Other liabilities	17,561	18,237	14,352	18,181
Net cash provided by (used in) operating activities	**143,848**	**(539,457)**	**144,286**	**(539,490)**
Cash flows from investing activities				
Purchase of property, plant and equipment and intangible assets	(36,620)	(48,588)	(36,621)	(48,590)
Resources from sale of property, plant, equipment	-	-	-	-
Net cash used in investing activities	**(36,620)**	**(48,588)**	**(36,621)**	**(48,590)**
Cash flows from financing activities				
Restricted short-term investments	290	74	290	74
Financing obtained from related parties	232,758	586,292	232,758	586,292
Amortized cost - Financing obtained from third parties	1,610	1,693	1,610	1,693
Payment of loans and financing - third parties	(739)	(70)	(739)	(70)
Net cash from financing activities	**233,919**	**587,989**	**233,919**	**587,989**
Effects of exchange rate changes on cash and cash equivalents	848	(97)	848	(97)
Net decrease in the balance of cash and cash equivalents	**341,995**	**(153)**	**342,432**	**(188)**
Cash and cash equivalents at the beginning of year	15,367	15,520	16,119	16,307
Cash and cash equivalents at the end of the year	357,362	15,367	358,551	16,119

(In thousands of reais - BRL, unless otherwise stated)

Statements of value added - USD

Revenue	Parent company 2021	Parent company 2020	Consolidated 2021	Consolidated 2020
Sales of goods, products and services	1,679,822	26,312	1,679,822	26,312
Other revenue	1,431	3,625	1,431	3,625
Revenue relating to construction of company assets	42,940	128,095	42,940	128,095
Provision (reversal) for expected credit loss	(208)	(1,364)	(208)	(1,364)
	1,723,985	**156,668**	**1,723,985**	**156,668**
Consumables acquired from third parties				
Cost of goods sold and services rendered	(438,448)	(336,593)	(437,907)	(336,317)
Material, electricity, outsourced services and other	(4,445,331)	(1,241,666)	(4,408,778)	(1,213,018)
Loss/recovery of asset values	1,739,389	669,824	1,739,389	669,824
	(3,144,390)	**(908,435)**	**(3,107,296)**	**(879,511)**
Gross	**(1,420,405)**	**(751,767)**	**(1,383,311)**	**(722,843)**
Depreciation and amortization	(204,094)	(100,064)	(204,094)	(100,064)
Net value added produced by the Company	**(1,624,499)**	**(851,831)**	**(1,587,405)**	**(822,907)**
Transferred value added				
Equity in the results of investees	3,743	5	-	-
Finance income	568,037	1,457,670	568,082	1,457,671
	571,780	**1,457,675**	**568,082**	**1,457,671**
Total value added to be distributed	**(1,052,719)**	**605,844**	**(1,019,323)**	**634,764**
Distribution of value added	**(1,052,719)**	**605,844**	**(1,019,323)**	**634,764**
Personnel				
Direct compensation	32,847	29,502	33,269	29,747
Benefits	12,067	11,658	12,185	11,689
Government Severance Indemnity Fund for Employees (FGTS)	2,491	2,280	2,491	2,280
Taxes				
Federal	120,692	365,229	153,520	393,884
State	25,237	769	25,237	769
Municipal	1,048	1,172	1,048	1,172
Interest expenses				
Interest on loans, financing and other debt items	490,703	813,985	490,731	813,974
Interest on stockholders' equity				
Loss for the year	(1,737,804)	(618,751)	(1,737,804)	(618,751)

2.5 Financial instruments

The assets and liabilities are recognized when the Company and its subsidiaries are a party to the contractual provisions of the instrument and are initially measured according to their fair value.

The transaction costs are directly attributable to the acquisition or issue of financial assets and liabilities (except for financial assets and liabilities recognized at fair value in the income statement) and are added to or deducted from the fair value of financial assets or liabilities, if applicable, after initial recognition. The transaction costs directly attributable to the purchase of financial assets and liabilities at fair value by means of income are immediately recognized in the income statement.

Financial assets and liabilities are presented net in the balance sheet if, and only if, there is a current and enforceable legal right to offset the recognized amounts and if there is the intention to offset, or to realize the asset and settle the liability simultaneously.

Financial assets

The classification of financial assets is based on the business model in which the asset is managed and its characteristics of contractual cash flows (binomial contractual cash flow and business model), as summarized below:

Categories/measurement	Conditions for definitions of category
Amortized cost	Financial assets are held according to the Company's business model to hold financial assets to collect contractual cash flows on specific dates. business model (BM) of the company.
Fair value through other comprehensive income ("FVTOCI")	There is no specific definition as to holding the financial assets to collect the contractual cash flows on the specified dates or carry out the sale of the financial assets in the Company's business model.
Fair value through profit or loss ("FVTPL")	All other financial assets.

For cash, cash equivalents and short-term investments, the Company has a policy of investing its resources in prime banks, with a minimum rating of A- by Standard & Poor's or equivalent (A- Fitch, A3 Moody's).

Accounts receivable from customers and other receivables are classified at amortized cost. Their respective classifications between amortized cost, FVTOCI and FVTPL are presented in explanatory note 31.2.

All regular acquisitions or disposals of financial assets are recognized or written off based on the trade date. Regular acquisitions or divestitures correspond to acquisitions or disposals of financial assets that require the delivery of assets within the term established by means of a market standard or practice.

The Company and its subsidiaries write off a financial asset only when the contractual rights to the cash flows from this asset expire or transfer the asset and substantially all the risks and benefits of the asset to another company. When a financial asset is written off in its entirety, the difference between the book value of the assets and the sum of the consideration received and receivable is recognized in profit or loss.

Financial liabilities

These liabilities are classified in the initial recognition as: (i) amortized cost; or (ii) measured at fair value through profit or loss.

The Company's financial liabilities are classified as measured at amortized cost using the effective interest method and include loans, financing and debentures, accounts payable to suppliers and obligations with related companies and other accounts payable, as informed in explanatory note 31.2.

The aforementioned financial liabilities are initially recognized in the receipt of funds, net of transaction costs, when applicable. At the balance sheet date, they are presented at their initial recognition, minus the amortization of the installments of principal, when applicable, plus corresponding charges incurred. Transaction costs are presented as a reduction of current liabilities and are appropriated to the income in the same payment term of the financing that originated it, based on the effective rate of each transaction.

Impairment of financial instruments

Regarding the impairment of financial assets, CPC 48 - Financial instruments (IFRS 9) requires a model of expected credit losses. The expected credit loss model requires the Group to account for expected credit losses and changes in expected credit losses on each reporting date to reflect changes in credit risk since the initial recognition of financial assets. In other words, it is not necessary for a credit event to occur before credit losses are recognized.

Specifically, CPC 48 requires the Company to recognize a provision for expected credit losses on:

(1) Investments in debt instruments subsequently measured at amortized cost or at fair value through other comprehensive income,

(2) Amounts receivable from leases,

(3) Accounts receivable and contract assets, and

(4) Financial guarantee contracts to which the impairment requirements of CPC48 (IFRS 9) apply.

In particular, CPC 48 requires the Company to measure the provision for losses on a financial instrument in an amount equivalent to the expected credit loss (ECL) over the service life if the credit risk related to that financial instrument has increased from the initial recognition, or if the financial instrument corresponds to a financial asset subject to a reduction in the recoverable value acquired or originated. However, if the credit risk related to a financial instrument has not increased significantly since the initial recognition (except for a financial asset subject to impairment acquired or originated); the Group shall measure the provision for losses for that financial instrument corresponding to the ECL of the 12-month period.

The Company periodically reviews its assumptions for the constitution of the provision for credit risk. For the accounts receivable, the Company has adopted a simplified approach and calculated the foreseen credit loss, as informed in explanatory note 6, based on the expectation of default risk along the life of the financial instrument in view of the revision of the history of its current operations and improvement of its estimates.

2.6 Accounts receivable

Accounts receivables consist of amounts owed by customers for goods or services acquired, and are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, minus an allowance for doubtful accounts.

The provision for credit losses reflects the volatility of the global iron ore sector. Based on the downward trend in the price of iron ore, Management conducts an individual evaluation of each customer's contracts and makes a provision in an amount sufficient to cover any losses, pursuant to criteria already informed in explanatory note 2.5.

2.7 Inventories
Inventories are valued at average acquisition or production cost not in excess of the market or realization value.

Samarco uses the absorption costing system. Direct costs are appropriated objectively and indirect costs are appropriated based on normal production capacity and include expenses incurred on the acquisition of inventory, production and transformation costs and other costs incurred to bring the inventories to their current condition and location.

2.8 Property, plant and equipment
Property, plant and equipment are recorded at acquisition, formation or construction cost and include capitalized financial charges.

The elements that make up the cost of a component of property, plant and equipment are:

- Purchase price, plus import taxes and non-refundable purchase taxes, after deducting trade discounts and rebates.
- Any costs directly attributable to bringing the asset into place and the condition necessary for it to be able to function in the manner intended by Management.
- The initial estimate of the costs for disassembly and removal of the item and restoring the location in which it is located. Such costs represent the obligation that the Company incurs when the item is acquired or as a consequence of using it during a certain period.

When significant parts of an item of property, plant and equipment have different useful lives, they are recorded as separate items (main components) of property, plant and equipment.

Subsequent costs are capitalized only when it is probable that future economic benefits associated with the expenses will be earned by the Group.

Depreciation and amortization start from the date the assets are installed and available for use. For items directly related to the respective productive areas, depreciation is calculated based on the units of production method. For the others, depreciation is calculated based on the straight-line depreciation and amortization method considering the years disclosed in Note 12.

Depreciation methods, useful life spans and residual amounts are reviewed at each balance and adjusted as appropriate.

Gains and losses on the sale of property, plant and equipment are determined by comparing the proceeds from the sale with the book value of the property, plant and equipment, and are recorded net in "Other operating expenses, net" in the income statement.

2.9 Intangible assets
Intangible assets acquired separately consisting of easements, mining rights and software are measured upon initial recognition at their acquisition cost and, subsequently, less the accumulated amortization and impairment losses, when applicable.

Intangible assets with a defined service life are amortized according to their estimated economic lives, according to explanatory note 13, and when indications of impairment are identified, they are submitted to impairment testing.

Removal of overburden to access the ore deposits
The cost of overburden (costs associated with stripping overburden and other waste products) incurred during the development of the mine, before production, is capitalized as part of the depreciable cost of the asset under development. These costs are amortized over the mine's service life, based on the proven and probable reserves.

The cost of overburden removal incurred during production is added to the value of the inventory, except when a specific extraction campaign is conducted to access deposits located deeper in the reserve. In this case, the costs are capitalized and recorded in non-current assets as ore extraction takes place, and will be amortized over the reserve's service life.

Research and development

Development expenditures are capitalized only if development costs can be measured reliably, if the product or process is technically and commercially viable, if the future economic benefits are probable, and if the Group has the intention and sufficient resources to complete the development and use or sell the asset. Other development expenses are recognized in the income statement as incurred. After initial recognition, capitalized development expenses are stated at cost, less accumulated amortization and any impairment losses.

2.10 Impairment of nonfinancial assets

The book values of the Company's nonfinancial assets with a defined service life are reviewed at each reporting date for signs of impairment. If any such indication exists, then the asset's impairment is determined. Assets with an indefinite service life are not subject to amortization and are tested annually for impairment. In the case of intangible assets in development not yet available for use, the impairment is estimated annually.

The impairment of an asset or cash generating unit (CGU) is the greater of its value in use and its fair value less costs of disposal. When appraising the value in-use, the estimated future cash flows are discounted from their present values at a pre-tax discount rate that reflects the current market terms regarding the capital recoverability period and the asset's specific risks.

For impairment testing purposes, assets that cannot be tested individually are grouped in the smallest group of assets that generate cash from continuous use and which are mainly independent from the cash flows from other assets or groups of assets ("cash generating unit - CGU)").

Impairment losses are recognized when the book value of an asset or its cash generating unit (CGU) exceeds its estimated recoverable value. Impairment losses are recognized in profit or loss. After November 2015, and considering the expected increase in socio-environmental and socioeconomic remediation costs, management conducts an annual impairment test of non-financial assets, as informed in explanatory notes 12 and 13.

2.11 Loans and financing

Loans and financing are initially recognized at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost. Any difference between the proceeds (net of transaction costs) and the total settlement value is recognized in the income statement over the period of the outstanding loans using the effective interest method.

The loans and financing are classified as current liabilities, unless the Company has an unconditional right to defer the settlement of the liability for at least 12 months after the date of the balance sheet.

The costs of loans and financing attributed directly to the acquisition, construction or production of a qualifying asset that requires a substantial time to be ready for use or sale are capitalized as part of the corresponding asset's cost when it is likely that future economic benefits will be generated for the Company and the cost or value can be reliably measured. Other loans and financing costs are recorded as expense in the period they are incurred.

2.12 Provision for contingencies

A provision is recognized if, as a result of a past event, the Company has a legal or constructive obligation that can be reliably estimated, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the specific risks for the liability.

2.13 Provision for asset retirement and socio-environmental and socioeconomic recovery

Provisions are determined by discounting estimated future cash flows to a pre-tax rate that reflects the current market assessments of the time value of money and the specific risks for the related liability. The effects of the derecognition of the discount over time are recognized in the income statement as a financial expense.

(a) Asset retirement obligations

An asset retirement obligation is recognized when there is a legal or constructive obligation to perform rehabilitation as a result of environmental disturbance, by means of an approved detailed asset retirement plan. The expenses for mine closure resulting from the termination of activities are recorded as asset retirement obligations. The obligations primarily consist of closure costs. The asset retirement cost related to the obligation is capitalized as part of the property, plant and equipment and is depreciated over the asset's service life.

(b) Socio-environmental and socioeconomic recovery

The provision for socio-environmental and socioeconomic recovery is made according to the determinations of the respective authorities and under the agreements signed on March 2, 2016 and June 25, 2018 (explanatory notes 1 and 3). The provision for environmental recovery is recorded when an impacted area is identified that generates an obligation for the Company. A liability for compensating social damages is recognized when the obligation for future payments has been identified arising from past events subject to civil damages and, when there is a reliable estimate of the obligations.

2.14 Present value adjustment of assets and liabilities

Monetary assets and liabilities are adjusted to their present value when the transaction is originally recorded, considering the contractual cash flows, the explicit and in certain cases implicit interest rate of the respective assets and liabilities and the prevailing rates in the market for similar transactions. This interest is subsequently reallocated to financial expenses and revenue in the income statement by the effective interest rate method for contractual cash flows.

2.15 Income tax

The Company calculates taxes based on existing legislation, considering legal tax benefits and deductions. Deferred tax balances are recognized on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements to the extent that it is probable that future taxable profits will be available and against which they can be utilized. This is measured at the rates expected to apply to the temporary differences when they are reversed, based on the laws that have been enacted or substantially enacted by the reporting date. Deferred tax assets and liabilities are offset and presented net in the balance sheet if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity.

The Company has a tax benefit for exports that provides for a reduction of income tax based on the profits obtained from the exploration of abundant minerals.

The Company has a final court decision in its favor, which ruled that the social contribution on net income ("CSLL") is unconstitutional. Therefore, it is not considering or paying this tax/contribution, as mentioned in explanatory note 19.

2.16 Employee benefits

(a) Retirement obligation

The Company's defined contribution plan is a retirement benefits plan under which it pays fixed contributions to a separate entity (ValiaPrev) and incurs no legal or constructive obligations to pay additional amounts. Contributions are recognized as an employee benefit expense when due.

For the defined benefit portion of the plan (ValiaPrev), which is a constructive obligation, the Company obtains the actuarial calculation. When the benefits of a plan are increased, the portion of the increase in the benefit related to past service of employees is recognized immediately in profit or loss.

The defined benefit obligation is the present value of the defined benefit obligation, less the fair value of the plan assets at the balance sheet date and is calculated annually by independent actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting future estimated cash disbursements using interest rates in line with market yields, which are denominated in the currency in which benefits are paid and have maturity terms close to those of the respective pension plan obligation. However, no asset is recognized, as there is no such provision in the bylaws for reimbursing the Company or reducing future contributions.

The actuarial gains or losses arising from the adjustment for experience and changes in actuarial assumptions are recorded directly in stockholders' equity as other comprehensive income, when incurred.

(b) Medical assistance

The Company provides life insurance and healthcare insurance benefits for its employees and their dependents, which are recorded on the accrual basis and are discontinued when the employee's leaves the Company.

2.17 Capital

Each common share entitles the holder thereof to one vote on General Meeting resolutions.

2.18 Payment of dividends

Minimum mandatory dividends paid to the Company's stockholders are recognized as a liability in the Company's financial statements at the end of the year, pursuant to its bylaws. Supplemental amounts referring to the portion exceeding the minimum obligation required by law or the bylaws is held in a specific account in the stockholders' equity, and is only transferred to liabilities when declared by the stockholders' General Meeting.

2.19 Results of operations

Income and expenses are recognized on an accrual basis, and include costs, expenses and revenues, in addition to earnings, charges and indexation or exchange variance at official indices or rates applied to current and non-current assets and liabilities. The attributable income tax amounts are charged/credited to the income statement.

According to CPC 47 - Customer contract revenue, the recognition of revenues from contracts with customers is based on the transfer of control of the good or service promised, which may be at a point in time or over time, depending on the satisfaction or not of the so-called "contractual performance obligations". Revenue is measured at the amount that reflects the consideration to which it is expected to be entitled and is based on a five-step model detailed below: 1) contract identification; 2) identification of performance obligations; 3) determination of the transaction price; 4) allocation of the transaction price to the performance obligations; 5) revenue recognition.

Performance obligations are considered promises to transfer to the customer a good or service (or group of goods or services) that is distinct, or a series of distinct goods or services that are substantially the same and that have the same standard of transfer to the customer, according to criteria already disclosed in note 2.5.

(a) Recognition of revenue from product sales

Revenue is recognized at the moment in which contractual performance obligations are met. In our case, as most of the sales are made on a FOB (Free-on-Board) basis. The revenue is recognized when the product is delivered to the transporter. When the realization of an amount already recorded under revenue is uncertain, a provision for the uncollectible amount or amount unlikely to be realized is recognized as a price adjustment or loss directly classified as an expense.

(b) Recognition of revenue from services

The Company provides logistics services at its own port terminal. Service revenue is recognized at the moment in which contractual performance obligations are met. When the realization of an amount already recorded under revenue is uncertain, the uncollectible amount or amount unlikely to be realized is recognized as an expense.

(c) Financial income and expenses

Financial income comprises interest income on funds invested and changes in the fair value of financial assets measured at fair value through profit and loss.

Financial expenses comprise interest expenses on loans and financing, and changes in the fair value of financial assets measured through profit and loss.

Income and interest expense are recognized as they accrue in profit or loss, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

The unwinding of discounting assets and liabilities previously adjusted to their present value is recognized in the income statement as a financial income or expense.

2.20 Financial lease

The Company recognizes a right-of-use asset and a liability corresponding to the lease on the commencement date of a contract that is, or contains, a lease. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any anticipated or accrued lease receipts. The asset is subsequently depreciated on a straight-line basis over the contractual period or until the end of the asset's useful life. The Company does not recognize right-of-use assets and lease liabilities with a period of less than 12 months and/or for low-value leases. The payments associated with these contracts are recognized as an expense on a straight-line basis over the contractual term.

(In thousands of reais - BRL, unless otherwise stated)

3. SIGNIFICANT EVENT – COLLAPSE OF THE FUNDÃO DAM

As a result of the collapse of the Fundão tailings dam on November 5, 2015, Samarco incurred significant accounting impacts, particularly related to expenses related to measures to prevent, remediate, contain and compensate property, environmental and social damages resulting thereof.

Samarco incurred expenses and made provisions for future disbursements that have been recorded and reported according to CPC 25 - "Provisions, contingent liabilities and contingent assets".

The material accounting effects from this significant event on the Company's Financial Statement, Income Statement and Statement of Cash Flows in the financial year ended as of December 31, 2021 and 2020 are described below:

Balance Sheet

Current Assets	**Note**	**2021**	**2020**
Advances to supplier	(a)	14,881	10,430
Total current assets		**14,881**	**10,430**
Non-current			
Court Deposits	(b)	300,387	349,946
Total non-current assets		**300,387**	**349,946**
Current Liabilities			
Trade payables	(c)	(90,150)	(15,306)
Other provisions	(d)	(20,544,922)	(4,743,522)
Other Liabilities (SEMAD)	(e)	-	(30,985)
Total current liabilities		**(20,635,072)**	**(4,789,813)**
Non-current			
Other provisions	(d)	(13,607,356)	(12,292,811)
Other liabilities in the country of related parties	(f)	(14,456,634)	(10,156,499)
Other Liabilities LP (SEMAD)	(e)	-	(15,359)
Total non-current		**(28,063,990)**	**(22,464,669)**
Net Liabilities		**(48,383,794)**	**(26,894,106)**

(In thousands of reais - BRL, unless otherwise stated)

Income Statement

		2021	2020
Cost of goods sold and services rendered	(g)	(274,361)	(27,121)
Gross loss		**(274,361)**	**(27,121)**
Operating expenses			
Provision contributions to the Renova Foundation	(f)	(4,300,135)	(3,800,000)
Provision for socio-environmental and socioeconomic recovery	(d)	(16,588,979)	(3,216,112)
Expenses with socio-environmental and socioeconomic recovery	(h)	(327,181)	(194,160)
Expenses input resources - Renova Foundation	(d)	(3,699,865)	(9,263)
Operating loss (profit) before financial result		**(25,190,521)**	**(7,246,656)**
Financial expenses provision for socio-environmental and socioeconomic recovery		(425,332)	(1,663,636)
SEMAD interest		65	(1,422)
Financial Result	(l)	**(425,397)**	**(1,665,058)**
(Loss) before taxation		**(25,615,918)**	**(8,911,714)**
Deferred income tax		-	-
Loss for the year		**(25,615,918)**	**(8,911,714)**

(In thousands of reais - BRL, unless otherwise stated)

Statement of Cash Flows

Cash flows from operating activities	**2021**	**2020**
(Loss) before taxation	(25,615,918)	(8,911,714)
Adjustments to reconcile net income with cash from operations:		
Provision (write-back) for socio-environmental and socioeconomic recovery	16,588,979	3,216,112
Provision contributions to the Renova Foundation	4,300,135	3,800,000
Financial charges	425,332	1,663,636
(Increase) decrease in operating assets:		
Court deposits	49,559	(12,149)
Advances to supplier	(4,451)	(2,341)
Increase (decrease) in operating liabilities:		
Trade payables	74,844	(13,137)
Other Liabilities (SEMAD)	(46,344)	(29,157)
Net cash used in operating activities	**(4,227,864)**	**(288,750)**
Total net decrease in the balance of cash and cash equivalents	**(4,227,864)**	**(288,750)**

(a) Advances to supplier
As of December 31, 2021, the amount of BRL 14,881 (BRL 10,430 as of December 31, 2020) refers mainly to advances to suppliers related to; (i) hiring experts and supporting consultants to the Public Prosecution Office; ii) Acquisition of material and contracting of services related to the program for the removal of remaining tailings in the dam of the HPP de Candonga.

(b) Court deposits
As of December 31, 2021, the balance of court deposits is reported in the assets at the amount of BRL 300,387 (BRL 349,946 as of December 31, 2020) and its composition is detailed below:

	Parent Company and Consolidated	
	2021	**2020**
Civil	298,917	348,047
Environmental	155	148
Labor	1,315	1,751
Total	**300,387**	**349,946**

(c) Trade payables

This refers to amounts payable of BRL 90,150 as of December 31, 2021 (BRL 15,306 as of December 31, 2020), related to expenses arising from the Collapse of the Fundão dam.

(d) Other provisions

On March 2, 2016, Samarco, together with its shareholders Vale and BHP Billiton Brasil, signed the TTAC in the proceedings of the Civil Class Action filed by the Federal Government and others, No. 0069758-61.2015.4.01.3400, in progress before the 12th Federal Court in Belo Horizonte/MG, to establish the programs, which comprise measures and actions for socio-environmental and socio-economic reparations and compensation arising from the collapse of the Fundão dam.

It is important to note that, in addition to the Company and its stockholders, the following are also parties to the TTAC: (i) at the federal level, the Federal Government, the Brazilian Institute of Environment and Renewable Natural Resources ("IBAMA"), Chico Mendes Institute for Biodiversity Conservation ("ICMBio"), the National Water Agency ("ANA"), the National Department of Mineral Production ("DNPM"), and the National Indian Foundation ("FUNAI"); (ii) in Minas Gerais, the State of Minas Gerais, the State Forestry Institute ("IEF"), the State Water Management Institute ("IGAM"), the State Foundation for the Environment ("FEAM"); and (iii) in Espírito Santo, the State of Espírito Santo, the State Institute of Environment and Water Resources ("IEMA"), the Institute of Agricultural and Forestry Defense of Espírito Santo ("IDAF") and the State Agency for Water Resources ("AGERH").

The scope of the TTAC is extremely broad, comprising a total of forty-two (42) programs, of which: (i) twenty-three (23) are of a socioeconomic nature; and (ii) nineteen (19) are socio-environmental. It is worth mentioning that these programs include the implementation both remediation and compensatory measures. The TTAC further provides for the possibility of extraordinary programs reviews, with the review of deadlines and obligations, as long as technically justified.

The said instrument was structured to allow government authorities to comment, assess and approve the projects developed under the programs, and oversee the execution of all of the programs through an Interfederative Committee ("CIF"). In addition, based on TTAC and TAC-Gov, experts and advisory panels have also been appointed,respectively, to express opinions that are not necessarily binding on technical disputes in a scientific, substantiated and, above all, fast.

The TTAC established the creation of a private foundation, called Renova Foundation, that will develop and implement the programs, the management of which will be independently audited. TTAC's term is 15 years from its signature, renewable for periods of one year, successively, until all the obligations provided for in the TTAC are fulfilled.

In compliance with TTAC, on August 2, 2016, Samarco, Vale and BHP Billiton Brasil, for developing and implementing environmental and socioeconomic programs to remedy and compensate for the damage caused by the Collapse of the Fundão dam, instituted the Renova Foundation.

Under the terms of the TTAC, Samarco and its shareholders are maintainers of the Renova Foundation for the duration of said agreement, according to contributions that are necessary from time to time. To the extent that Samarco fails to meet its financing obligations under the TTAC, Vale and BHP Billiton Brasil have subsidiary financing obligations in the proportion of 50% each.

For the year ended 2021, Samarco and its stockholders provided funds to the Renova Foundation, as follows:

- BRL 8,000,000 in 2021 (BRL 3,921,427 in 2020), of which BRL 4,300,135 (BRL 3,800,000 in 2020) were contributed by Vale and BHP Billiton Brasil, in the proportion of 50% each, through deposits at the Renova Foundation on behalf of Samarco, and BRL 3,699,865 (BRL 9,263 in 2020) contributed directly by Samarco to Renova Foundation;

- The amount of BRL 109,731 (BRL 112,164 in 2020) was disbursed directly by Samarco's execution of the TTAC programs.

In 2022, the total estimated input to be provided to Renova Foundation is BRL 10,400,000. Also, a total of BRL 566,552 is earmarked to cover the programs executed by Samarco, including the program for the recovery of the UHE Risoleta Neves reservoir (PG009). From 2022 onwards, the amounts to be contributed to the Renova Foundation will be based on the planning of the programs approved by the Renova Foundation on the same date. The TTAC does not specify a minimum or maximum limit on contributions for this period.

On June 25, 2018, the Governance TAC was established providing for the settlement of a Public-Interest Civil Action of BRL 20,000,000, suspension of the Public-Interest Civil Action of BRL 155,000,000, partial ratification of the TTAC and its formal declaration of validity for the signing parties.

This agreement establishes, among other matters, Renova Foundation governance enhancements to ensure a greater participation of the affected people and a process to deal with a possible renegotiation of the programs intended to remedy the impacts resulting from the collapse of the Fundão dam, that count with the work of Specialists hired by Samarco to advise the Federal Prosecution Office. The agreement was ratified on August 8, 2018 by the 12th Federal Court of Minas Gerais.

Some specific issues related to the execution of the Renova Foundation's programs were subject of legal actions, before the 12th Federal Court, by the signatories of the above-mentioned agreements, which led to some judicial decisions that increase the actions of these programs, all of them in charge of the Renova Foundation.

On April 6, 2021, the first meeting was held under the presidency of Minister Luiz Fux, chairman of the National Council of Justice (CNJ), who leads the discussions on the renegotiation within the scope of the Transaction and Conduct Adjustment Agreement (TTAC) and damage remediation and compensation actions carried out by Renova Foundation.

On June 22, 2021, the Company, its Shareholders and the signatories of the TTAC and TAC GOV, with the exception of AGU, signed a Letter of Principles that will guide the negotiations. Meetings took place throughout 2021 and are still being held with the purpose of reaching a new definitive agreement between the parties involved in order to guarantee full remediation, both to the environment and to the affected parties, of the damages resulting from the collapse of the Fundão dam.

Based on the information above, Management, following the advice of external consultants and experts, has been preparing action plans and studies for the future remediation of the environmental and socioeconomic damage caused by the Collapse of the dam, besides the implementation of compensatory programs established in the TTAC. As of December 31, 2019, a provision was reported for future disbursements related to the present obligation generated by the Collapse of the Fundão dam. The magnitude, full scope, timing and costs of the future remediation programs are subject to significant uncertainty as they depend on the conclusion of specialist studies, the preparation of action plans and the outcome of pending court cases.

The provision made was discounted to present value at the risk-free rate of 5.413% per year, in real terms, based on the 20-year Brazil bond in the international market maturing on January 7, 2041 obtained from Bloomberg (EH995062) considering cash outflow foreseen over the next 20 years.

(In thousands of reais - BRL, unless otherwise stated)

(a) Composition

Provision for:		2021	2020
Remediation programs	(d.1)	29,964,482	12,669,086
Compensation programs	(d.2)	3,061,124	3,279,625
Other actions not included in the TTAC	(d.3)	1,126,672	1,087,622
		34,152,278	**17,036,333**
Current Liabilities		**20,544,922**	**4,743,522**
Non-Current Liabilities		**13,607,356**	**12,292,811**

(b) Transaction

	2021	2020
Balance as of January 1	**17,036,333**	**12,171,751**
Realized provision	(327,181)	(194,160)
Realized provision - Samarco contribution to the Renova Foundation	(3,699,865)	(9,263)
Write-back of provision funding for Renova Foundation by shareholders Vale/BHP Billiton Brasil	(4,300,135)	(3,800,000)
Financial update	425,332	1,663,636
Increase (decrease) in the provision	25,017,794	7,204,369
Balance as of December 31	**34,152,278**	**17,036,333**
Current Liabilities	**20,544,922**	**4,743,522**
Non-Current Liabilities	**13,607,356**	**12,292,811**

In line with the evolution of actions and knowledge about the impacts, changes in key assumptions may result in future substantial changes in the amounts accrued in future publications, highlighting:

- Method of removing remaining tailings from rivers: the technical solutions are based on the decisions taken within the scope of the Tailings Management Plans (PMR) developed for the sections; in this case the sections 1 to 11. In the PMRs, impact analyses are carried out and, based on this detailed analysis, solutions are defined and implemented, which are based on the principle of causing the least impact on the environment and the surroundings, including communities. As such, the waste removal actions will be concentrated in Barra Longa (MG), the only municipality with an urban area directly affected by the mud, and in the Risoleta Neves Hydroelectric Power Plant (Candonga).

The other areas will receive actions for environmental and social recovery.

- Method for removing remaining tailings in the dam of the Candonga HPP: dredging.

- ACP 155 Bi: judicialized proceedings, according to decisions of the 12th Federal Court, considering the following priority axes:

    - Axis 1 - Environmental rehabilitation inside and outside river bed;

    - Axis 2 - Human health risk and ecological risk;

    - Axis 6 - Performance measurement and monitoring;

    - Axis 8 - Resumption of economic activities; and

    - Axis 9 - Supply of water for human consumption.

Criteria for compensation of impacted population: the Mediated Indemnity Program began effectively in October 2016 for preparing and executing a compensation and indemnification program. In 2020, there was a change in this scenario, with the implementation, by the judge of the 12th Federal Court of Minas Gerais, of the New Indemnity System, known as Novel. The Novel emerged as a new modality of compensation granted to individuals, pursuant to a simplified process. After the creation of the Novel, various aspects of compensation for general damages began to be defined through the judicialization process, based on decisions rendered by the 12th Court of Federal Justice.

Considering the above scenario, the affected persons now have the option of receiving compensation via the Mediated Indemnity Program, via the New Indemnity System, or, thirdly, as an individual indemnity action.

Besides the judicial proceedings, the program includes the following indemnities:

- Mariana's indemnities: referring to the impacts suffered as a result of the permanent or temporary physical displacement;

- Fatalities and missing people; and

- Moral damages related to water: considers residents of municipalities that had suspended drinking water distribution for more than 24 hours in November 2015.

(d.1) Remediation programs: comprise remediation measures and actions to mitigate, remedy and/or remediation socio-environmental and socioeconomic impacts arising from the collapse of the dam, listed in the TTAC, whose main programs are: survey and registration of those impacted; protecting and enhancing the living standards of indigenous peoples; health and social protection; school recovery; resumption of agricultural activities; preservation of historical, cultural and artistic heritage; social engagement, participation, dialogue and control; reconstruction of Bento Rodrigues, Paracatu de Baixo and Gesteira; rehabilitation of other affected communities and infrastructure between Fundão and Candonga; assistance to animals; emergency financial assistance to those impacted; reforestation and environmental recovery; conservation of aquatic biodiversity; water monitoring; management of the resulting tailings, considering conformation and stabilization in situ, excavation, dredging, haulage, treatment and disposal; improvement of water supply systems.

(d.2) Compensation programs: comprise measures and actions to compensate non-mitigable or reparable impacts arising from the collapse of the dam, through the improvement of the socio-environmental and socioeconomic conditions of the impacted areas, under the programs, listed in the TTAC, and the main ones are: support for research for the development and use of socioeconomic technologies applied to the remediation of impacts; regional economic recuperation and diversification with incentives for industry; encouraging local contracting; rehabilitation of permanent protected areas (APP); recovery of springs; strengthening of screening structures and reintroduction of wildlife; collection and treatment of sewage and destination of solid waste; environmental education; preparation for environmental emergencies; creating funds for Covid-19; transfers to the structuring projects of the Integrated Agenda, signed with the governments of Minas Gerais and Espírito Santo, to leverage actions aimed at social protection, health, education, economic diversification and strengthening the institutional capacities of the affected municipalities.

(In thousands of reais - BRL, unless otherwise stated)

(d.3) Other actions not covered by the TTAC: comprise other disbursements required to comply with actions related to the Collapse of the Fundão dam not covered by the TTAC programs.

(e) Other Liabilities

Samarco was notified by SEMAD to pay BRL 127,500. Samarco requested that the payment of the amount be made over 60 months. The first installment, corresponding to five percent (5%) of the total, was paid in December 2016. As of December 31, 2020, the amount of BRL 30,985 refers to 12 short-term installments and the amount of BRL 15,359 refers to long-term installments, restated by SELIC, according to explanatory note 21. All amounts were settled in FY 2021.

(f) Other liabilities in the country of related parties

On December 30, 2016, contracts were signed between Samarco, Vale and BHP Billiton Brasil to recognize Samarco's obligation to pay its shareholders the amounts contributed by them to the Renova Foundation. The contributions are to comply with the primary obligations of Samarco provided for in the TTAC. In 2021, the amount contributed by the shareholders directly to the Renova Foundation was BRL 4,300,135 (BRL 3,800,000 in 2020), totaling up to December 31, 2021, a total amount of BRL 14,456,634 (BRL 10,156,499 up to December 31, 2021).

(g) Cost of goods sold and services rendered

The Company incurred costs to maintain and remediation facilities affected by the Collapse of the Fundão tailings dam (related to outsourced services, construction materials, fuel, among others). Of the total amount, BRL 172,727 (BRL 42,286 as of December 31, 2020) was recorded as idle capacity, according to explanatory note 24.

(h) Other operating expenses

Expenses for socio-environmental and socioeconomic recovery

The breakdown of Samarco expenses related to the measures to prevent, remedy, contain and compensate environmental and social impacts caused by the Collapse of the Fundão dam, incurred in 2021 and 2020, is shown below:

	2021	2020
Remediation programs	(162,142)	(19,972)
Compensation programs	(459)	(429)
Actions not included in the TTAC	(164,580)	(173,759)
	(327,181)	**(194,160)**

The description of the nature of each of the expenses included in the table above is detailed in explanatory note 3(d).

(i) Financial Result

The financial result is composed of:

(i) financial expense in the amount of BRL 425,332 (BRL 1,663,636 as of December 31, 2020) from the unwind of discount of the provision for socio-environmental and socio-economic recovery, calculated at present value. The rate used is described in note 3(d);

(ii) BRL 65 (BRL 1,422 as of December 31, 2020) of interest incurred on the environmental fine applied by SEMAD as described in the explanatory note 3(e).

(j) Investigations

Immediately after the collapse of the Fundão dam, the Company with its stockholders contracted an external investigation team to identify the causes of the failure. The results of the investigation were made public at the end of August 2016.

The results of the investigation were shared with the Federal Police and the Prosecution Office, among other entities involved in the investigation process. Besides supporting ongoing police investigations and judicial measures, the information provided will assist the Company and the mineral sector as a whole in the search for higher standards of operational safety, so that occurrences of this kind will never be repeated.

On October 22, 2016, the Federal Prosecution Office filed a complaint against the Company, its shareholders and 22 individuals, regarding the Collapse of the Fundão dam, and was assessed under No. 0002725-15.2016.4.01.3822. The Company was charged with environmental crimes as outlined in articles 29, caput, §1, items I and II, §4, items I, III, V and VI, art. 33, art. 38, art. 38-A, art. 40, caput, §2, art. 49, art. 50, art. 53, items I and II, sub items "c", "d" and "e", art. 54, §2, items I, III, IV and V c/c art. 58, item I, art. 62, item I, all included in Law No. 9,605/98, concomitantly with the crimes specified in articles 68, 69, and, twice, in art. 69-A, §2, of Law No. 9,605/98. The complaint was received on November 17, 2016. After a detailed analysis of documents and legal issues, related to the proceeding, the Samarco submitted a response within the legally established timeframe. After considering the defense presented in the proceedings, the Federal Court of Ponte Nova proceeded with its regular processing. TRF1 (Federal Regional Court of the 1st Region), when judging habeas corpus filed by accused persons (individuals) dismissed the accusation of intentional homicide and, still, closed the criminal action regarding some accused persons. As a result, the Court, in line with the decision issued by the TRF1, in addition to excluding several individuals from the charge, changed the procedure for processing the proceeding - until then submitted to the rite of the jury court, now adopting the ordinary procedure. The process is currently being processed on a regular basis.

(k) Insurance

(i) Operational and other Insurance

The Company maintains the main insurance policies that cover the risks related to its activity, including operational risk and civil liability insurance.

With respect to previous policies, in force at the time of the Fundão dam failure, the Company still maintains contact with its insurance companies and negotiates some receipts of indemnities from policies that covered the risks of its activity.

In 2021, the Company continued to obtain reimbursement of defense costs covered by the Directors' Civil Liability policy and maintains the channel of negotiations open so that additional amounts spent and covered by its insurance policies are reimbursed.

Any additional indemnity payments still depend on completion of the negotiations, definitions of coverages, deductibles and allocation of the amount of losses covered by the policies.

(ii) TTAC financial guarantee insurance

Since 2017, there has been in place a financial guarantee insurance in compliance with the terms of the TAC - Conduct Adjustment Agreement signed with the Prosecution Office in the 12th Federal Court of Belo Horizonte/MG to assure the payment of the amount corresponding to the court deposits that the Policy Holder needs to make as a result of default on the obligations of funding for the Socioeconomic and Socio-environmental Remediation Programs in response to the damage arising from the Collapse of the Fundão dam, according to the records of the Public-Interest Civil Action No. 0069758-61.2015.4.01.3400 (the ACP), brought against the Insured by the Federal Government, State Agency for Water Resources (AGERH), National Water Agency (ANA), National Department of Mineral Production (DNPM), State of Minas Gerais, State of Espírito Santo, State Foundation for the Environment (FEAM), Brazilian Institute of Environment and Renewable Natural Resources (IBAMA), State Forestry Institute (IEF), State Institute of Environment and Water Resources (IEMA), State Water Management Institute (IGAM) and Chico Mendes Institute for Biodiversity Conservation in face of the Policy Holder among others. Indemnity payments by the insurer will be made on equal conditions with other insurance policies submitted in the case records.

(l) Contingencies

The Company is a party to legal and administrative proceedings involving civil, labor and environmental issues arising from the collapse of the Fundão dam. These actions brought by individuals, private companies, non-governmental organizations (NGOs) and public and governmental entities seek remediation and compensation for environmental and socioeconomic impacts, material and moral damage and loss of life, besides a series of compensations for the affected municipalities.

These legal proceedings include civil public actions brought by state prosecutors in Minas Gerais and Espírito Santo, state public defenders in Minas Gerais and Espírito Santo, the defender of the Federal Government and federal prosecutors. Given the situation of all these processes, in the actions of BRL 20,000,000 and BRL 155,000,000, which are detailed in the following paragraphs, it is not possible at this time to provide a range of possible results or a reliable estimate of future exposures.

As defined in the TTAC, the claims of various lawsuits brought against Samarco are covered by the mentioned agreement. The estimated losses in the pretensions addressed by the TTAC were included as part of the various provisions for repairing damages caused by the Collapse of the Fundão dam.

The Company was charged by environmental agencies, including IBAMA (Brazilian Institute of Environment and Renewable Natural Resources) due to environmental damage caused by the discharge of solid and liquid waste (mining waste) in the waters of the Rio Doce, as well as SEMAD and IEMA-ES (State Institute of Environment and Water Resources) for causing pollution and environmental degradation resulting in damage to water resources. Samarco has presented its defense against these charges and is awaiting a response from the agencies. The notices of violation total BRL 1,206,396 (BRL 1,435,077 as of December 31, 2020). It is noteworthy that four Notices of Violation drawn up by IBAMA have already exhausted the administrative sphere, of which one is being evaluated by the Company, and three are being discussed in the judicial sphere within the scope of Action for Annulment and Tax Enforcements. The resulting losses and exits are classified as possible.

Regarding the Public-Interest Civil Action No. 0043356-50.2015.8.13.0400, proposed by the Prosecution Office of Minas Gerais aiming at the full compensation of Mariana's victims, there is an interlocutory injunction in which the amount of BRL 300,000 was blocked in Samarco's bank account for compensatory use and remedial measures required by this Public Civil Lawsuit. Samarco appealed this decision. However, on December 4th, 2017; the Court of Justice denied the appeal and upheld the decision that blocked that amount. Part of the amount was released as a result of investments in emergency actions/recovery through an agreement with the MPMG. On October 2nd, 2018 Samarco, Vale, BHP Billiton Brasil and the Public Prosecutor's Office of Minas Gerais signed an agreement to address the payment of indemnities in that district through the use of the blocked resources in the interlocutory injunction. Although the lawsuit was extinguished, the amounts originally blocked in the interlocutory injunction will be used to pay part of the indemnities.

On November 30th, 2015, the Federal Government of Brazil, the states of Espírito Santo and Minas Gerais and other public authorities collectively filed a Public Civil Lawsuit before the 12th Federal Court of Belo Horizonte against Samarco and its shareholders, Vale and BHP Billiton Brasil, seeking to create a fund of up to BRL 20,000.000 to remediation of the environment and compensation for damage caused to the community.

On May 3rd, 2016, the Federal Prosecutor's Office filed a Public Civil Lawsuit against Samarco and its shareholders aiming at full compensation, indemnity and moral damages due to the environmental damages caused by the Collapse of the Fundão dam, requiring (i) measures to mitigate the social, economic and environmental impacts resulting from the collapse of the Fundão dam and other emergency measures, (ii) payment of compensation to the community and (iii) payment of collective moral damage. The amount of the initial lawsuit claimed by the Federal Prosecutor's Office is BRL 155,000.000.

On January 18th, 2017, the Federal Prosecutor's Office, Samarco and its shareholders signed a memorandum of understanding ("MoU" or "Memorandum of Understanding") with the Federal Prosecutor's Office, which outlines the process and timetable for new negotiations for an agreement on the lawsuits of BRL 20,000.000 and BRL 155,000.000. This Memorandum of Understanding provides for the appointment of specialists to assess programs in the field of environmental and social remediation and program assessment and monitoring under the TTAC.

The conclusions of specialized consultants not linked to Samarco, Vale, BHP Billiton Brasil, will be considered in the negotiation of a final agreement with the Prosecutor's Office.

Under the terms of the Memorandum of Understanding, Samarco and its shareholders also agreed to offer securities ("Provisional Security") in the amount of BRL 2,200.000, hiring specialists to federal prosecutors and holding public hearings.

On January 24th, 2017, Samarco, Vale and BHP Billiton Brasil presented the securities to the Court that would remain in effect for thirty (30) months from the approval of the TAC Governance.

The Memorandum of Understanding signed in the Public Civil Lawsuit of Ponte Nova provides for the allocation of BRL 200,000 to be used in compensating actions in the regions circumscribed in that District. This amount was provided for programs at the Renova Foundation, and did not represent an increase in the amount of contributions planned for 2018.

On June 25th, 2018, Samarco, Vale and BHP Billiton Brasil, and other parties involved, the Prosecutor's Office and Public Defenders signed the TAC Governance that dissolves the knowledge phase of the Public Civil Lawsuit of BRL 20,000.000 and increases the community participation in decisions related to the remediation process.

The Governance TAC was approved by the 12th Federal Court of Minas Gerais on August 8, 2018, producing, among other effects, (i) the extinction of the knowledge phase of BRL 20,000,000 ACP and, (ii) suspension the Public-Interest Civil Action of BRL 155,000,000 for 2 years from its ratification, until the end of the renegotiation process.

The Governance TAC maintains the provisional guarantee provided under the Preliminary Agreement for 30 months, after which Samarco, Vale and BHP Billiton Brasil will be required to provide security for an amount equivalent to the annual budget of the Renova Foundation up to the limit of BRL 2,200,000.

From January 2020, some specific issues related to the execution of the Renova Foundation's programs were subject to legal actions, before the 12th Federal Court, by the signatories of the above-mentioned agreements, which led to some judicial decisions that increase the actions to be performed within the scope of these programs, all of them in charge of the Renova Foundation.

On late 2020, Federal Prosecutor Office filed a motion to resume Public-Interest Civil Action of BRL 155,000,000. Samarco and shareholders responded such motion. Subsequently, the Federal Public Prosecution Office requested the suspension of the motion to return the lawsuit until the end of April 2021, being that ACP is still suspended.

Those major Public-Interest Civil Actions aim full compensation, indemnity and moral damages due to the environmental damages caused by the Collapse of the Fundão dam. Therefore, management also considered other claims classified as possible and / or probable that are in the initial phase and that present significant uncertainties due to the duplicity of what was requested in these actions and the claims contained in the actions of BRL 20,000,000 and BRL 155,000,000, the definition of the amounts involved, the compensation period, and other judicial and extrajudicial decisions. Beyond judicial motions to consolidate those other claims before the 12th Federal Court, Samarco understands its contingencies are already covered on these major Public-Interest Civil Actions.

Other governmental proceedings and investigations related to the Collapse of the Fundão dam may be brought against the Company. Until new facts are developed and the aforementioned uncertainties resolved, we are unable to provide a range of results or a reliable estimate of Samarco's obligations arising from these matters. As such, a provision has not been recognized or a contingent liability quantified for these claims. Only in time and the natural development of the disputes and the maturity of the process, with new settlements reached and/or legal decisions, will it be possible to understand the actual magnitude of the impacts and the Company's exposure. These items may lead to significant impacts on provisions and result in further adjustments to existing provisions and/or the recognition of new provisions for disbursements that cannot be currently projected and/or measured. As of 2019, the lawsuits estimated as probable losses related to the Collapse of the Fundão dam were recorded as part of the environmental and socio-environmental provision.

(In thousands of reais - BRL, unless otherwise stated)

The Company is a party to other proceedings for which the Management, based on the assessment of its legal advisors, internal and external, did not set up a provision for contingencies, since the loss expectations were considered possible, the main being:

Description	Position	2021	2020
Civil Proceedings related mainly to indemnities to third parties. According to the opinion of the Company's legal advisors, the likelihood of loss in these disputes is possible.	Proceedings in the court sphere in several procedural stages.	1,991,993	1,640,249
Related labor proceedings, the application of fines by the control bodies, besides labor claims filed by the company employees and third parties.	Proceedings in the court sphere in several procedural stages.	483,538	549,239
Proceedings involving environmental risks referring to the States of Minas Gerais and Espírito Santo, with respect to assessments by the supervisory bodies.	Proceedings in the court sphere in several procedural stages.	1,148,043	1,376,462
		3,623,574	**3,565,950**

4. CASH AND CASH EQUIVALENTS

The composition of the cash balance and cash equivalents is detailed below:

		Parent company		Consolidated	
Cash and banks		**2021**	**2020**	**2021**	**2020**
In the country		7,794	43	7,794	43
Abroad	(a)	27	76,127	6,658	80,035
Financial investments					
Abroad	(b)	1,986,324	3,768	1,986,323	3,768
		1,994,145	**79,938**	**2,000,775**	**83,846**

(In thousands of reais - BRL, unless otherwise stated)

(a) Current accounts in USD at financial institutions abroad.

(b Short-term financial investments in USD at financial institutions abroad, whose incomes are linked to prefixed rates, 0.05% per year on December 31, 2021 and 0.05% per year on December 31, 2020. The Company's policy is to invest its funds in prime banks, as described in explanatory note 2.5.

5. RESTRICTED SHORT-TERM INVESTMENTS

The composition of the financial investments balance in restricted cash is detailed below:

	Parent Company and Consolidated	
	2021	**2020**
Restricted short-term investments	1,438	2,848
	1,438	**2,848**

As of December 31, 2021, the restricted cash amount of BRL 1,438 (BRL 2,848 as of December 31, 2020), refers to funds held and invested in specific bank accounts ("collection accounts") linked to some bank loans and financing, contracts of which are under a renegotiation process within the scope of the Judicial Reorganization, as described in note 1(c); and also to funds held to guarantee contractual obligations mainly related to energy transmission agreements.

(In thousands of reais - BRL, unless otherwise stated)

6. ACCOUNTS RECEIVABLE

The composition of the accounts receivable balance is detailed below:

		Parent company		Consolidated	
		2021	2020	2021	2020
Customers in the country	(a)	7,793	6,906	7,793	6,906
Customers in the country - related parties (note 30)		-	-	-	-
Customers abroad	(b)	516,397	13,723	518,701	15,871
Customers abroad - related parties (note 30)		2,288	2,131	-	-
		526,478	**22,760**	**526,494**	**22,777**
Expected credit loss	(c)	(22,625)	(20,486)	(24,897)	(22,602)
Price reduction provision	(d)	(55,654)	-	(55,654)	-
		448,199	**2,274**	**445,943**	**175**

(a) The receivable amount from customers in the country is related to the sale of energy, leasing of port area and sale of supply inventory.

(b) The consolidated balance of BRL 516,397 as of December 31, 2021 (BRL 15,871 as of December 31, 2020) from customers abroad came from amounts receivable from mining customers abroad.

(c) Estimated losses on bad debits amount to BRL 22,625 at December 31, 2021 at parent company and BRL 24,897 at consolidated (BRL 20,486 and BRL 22,602 as of December 31, 2020, respectively). Provisions are made for losses related to credit (risk in receipts from customers), in accordance with the policy disclosed in Note 2.5. The provision in the Parent Company does not include receivables from sales made to the subsidiary Samarco Finance.

The transaction of estimated losses on bad debits on accounts receivable are shown in the table below:

	Parent company		Consolidated	
	2021	2020	2021	2020
Balance as of January 1	**20,486**	**11,849**	**22,602**	**13,490**
Additions	1,418	244	1,418	244
Write-backs	(324)	(119)	(324)	(119)
Total movement disregarding foreign exchange	**1,094**	**125**	**1,094**	**125**
Foreign exchange gains/losses	1,045	8,512	1,201	8,987
Balance as of December 31	**22,625**	**20,486**	**24,897**	**22,602**

(In thousands of reais - BRL, unless otherwise stated)

(d) As described in note 2.19 (a), revenue is recognized at the moment in which contractual performance obligations are met. Due to the price drop in the international market, it was necessary to set up a provision of BRL 55,654 referring to the price reduction in 2021.

The transaction of price reduction provision are shown in the table below:

	Parent Company and Consolidated
	2021
Balance on January 1st	-
Creation of provision	13,354
Addition	11,949
Total movement disregarding foreign exchange	**25,303**
Foreign exchange gains/losses	30,351
Balance as of December 31	**55,654**

The composition of the accounts receivable balance, ranked by maturity, is detailed below:

	Parent company		Consolidated	
	2021	**2020**	**2021**	**2020**
Due	499,760	105	498,835	105
Up to 30 days past due	11,812	23	11,812	23
31 to 60 days past due	525	0	525	0
61 to 90 days past due	463	231	463	263
Past-due for more than 90 days	13,917	22,401	14,859	22,386
	526,477	**22,760**	**526,494**	**22,777**

(In thousands of reais - BRL, unless otherwise stated)

7. INVENTORIES

The composition and transactions in the balance of inventories are detailed below:

(a) Composition	Parent Company and Consolidated	
	2021	2020
Finished products	148,112	34,902
Products in progress	33,712	42,993
Inputs	75,139	135,451
Consumption and maintenance materials	435,440	386,799
Provision for obsolescence of materials	(45,734)	(41,516)
Advances to suppliers	40,178	14,919
Total	**686,847**	**573,548**
Current assets	533,007	285,879
Non-current	153,840	287,669
Total	**686,847**	**573,548**

(b) Transaction of finished products	Parent Company and Consolidated	
	2021	2020
Balance as of January 1	**34,902**	**2,041**
Additions	1,681,740	23,822
Sales write-offs	(1,576,578)	(3,521)
Addition due to inventory adjustment	(13,123)	121
Conversion	21,171	12,439
Balance as of December 31	**148,112**	**34,902**

(c) Transaction of the provision for inventory obsolescence	Parent Company and Consolidated	
	2021	2020
Balance as of January 1	**(41,516)**	**(32,282)**
Additions	(2,667)	(187)
Write-backs	1,557	298
Conversion	(3,108)	(9,345)
Balance as of December 31	**(45,734)**	**(41,516)**

(In thousands of reais - BRL, unless otherwise stated)

The Company evaluated its inventories as of December 31, 2021, and concluded that they do not exceed their realizable values.

Additionally, the Company carried out an analysis for the use of its materials in the short and long terms considering the partial return on transactions that were held in December 2020 (as disclosed in explanatory note 1).

8. RECOVERABLE TAXES

The composition of the recoverable taxes balance is detailed below:

		Parent company		Consolidated	
		2021	2020	2021	2020
ICMS – Minas Gerais (MG)	(a)	75,520	76,688	75,520	76,688
ICMS – Espírito Santo (ES)	(b)	1,523,510	1,478,965	1,523,510	1,478,965
Provision for ICMS losses - ES	(b)	(1,523,316)	(1,478,965)	(1,523,316)	(1,478,965)
PIS and COFINS	(c)	72,043	1,636	72,043	1,636
Recoverable income tax	(d)	187,876	36,841	187,876	36,841
IRRF on income from financial investments		45	24	45	24
Others		21	1,420	29	1,431
Total		**335,699**	**116,609**	**335,707**	**116,620**
Current assets		260,125	39,866	260,132	39,877
Non-current		75,574	76,743	75,575	76,743
Total		**335,699**	**116,609**	**335,707**	**116,620**

(a) Refer mainly to credits on the acquisition of fixed assets.

(b) These refer to credits on the acquisition of fixed assets, inputs, materials and others. Considering the history of non-realization of ICMS credits with the State of Espírito Santo, the Company set up a 100% provision for losses on these credits as there is no expectation of use.

(c) The PIS and COFINS credits refer mainly to the acquisition of materials and services classified as inputs, electric power, and fixed assets. The monetary increase in relation to 2020 was due to the admissibility of re-measuring the credits of these taxes due to the operational resumption, which took place in December/2020, in which only the credits referring to the purchases of electricity were appropriated.

(d) Recoverable income tax referring to overpaid monthly estimates.

(In thousands of reais - BRL, unless otherwise stated)

9. OTHER ACCOUNTS RECEIVABLE

As of December 31, 2021, there is no balance receivable from electric energy indemnity related to the difference between the monthly contracted energy versus the consolidated measured energy, and the sale of surplus electric energy acquired for the production process, as, with the partial resumption of operations in December 2020, current electricity consumption is higher than the monthly contracted volume. As of December 31, 2020, the total amount receivable was BRL4,319.

10. OTHER ASSETS

		Parent company		Consolidated	
		2021	2020	2021	2020
Recoverable insurance		4,006	1,923	4,006	1,923
UHE Guilman-Amorim consortium (note 2.3(b) and note 21)		3,757	3,994	3,757	3,994
Advances to employees		5,999	4,509	5,999	4,509
Others		12	12	75	76
Current		**13,774**	**10,438**	**13,837**	**10,502**
COHESA	(a)	17,275	17,275	17,275	17,275
(-) Present value adjustment COHESA	(a)	(4,613)	(3,749)	(4,613)	(3,749)
Advances to employees		4,224	393	4,224	393
Loans to third parties LP		1,588	-	1,588	-
Other accounts receivable Ponta Ubu Agropecuária (note 30)	(b)	1,327	1,327	1,327	1,327
Others		41	42	41	42
Non-current		**19,842**	**15,288**	**19,842**	**15,288**

(a) The Company transfers funds to the Samarco Employees' Housing Cooperative - COHESA, through an agreement for the implementation of a housing plan signed on March 1, 1994, for financing the acquisition of properties by employees, with terms that vary from 8 to 25 years. The amounts passed on will be received in their entirety when the Samarco Housing Plan - PHS is closed, i.e. when the financing is settled by the employees. The balances receivable from COHESA are adjusted to present value. The interest charged by COHESA is updated by the collective wage adjustment indexes exercised by the Company.

(b) The balances as of December 31, 2021 and 2020 worth BRL 1,327, refer to expenses under the responsibility of Ponta Ubu Agropecuária, which were disbursed by the Company.

(In thousands of reais - BRL, unless otherwise stated)

11. INVESTMENTS

The Company recorded positive equity accounting of its subsidiaries of BRL 19,877 as of December 31, 2021 (BRL 222 negative as of December 31, 2020). In 2021 and 2020, the Company did not receive dividends from investments in subsidiaries. None of the investees have their shares traded on a stock exchange.

	Shareholding	Number of shares or quotas	Current assets	Non-current assets	Total assets	Current liabilities	Equity	Total liabilities	Revenue	Costs and expenses	Results for the year
2021											
Samarco Finance Ltd.	100%	50,000	2,463	-	2,463	2,272	191	2,463	4	(20)	(16)
Samarco Iron Ore Europe B.V	100%	180	45,537	7,094	52,631	5,591	47,040	52,631	26,458	(6,565)	19,893
		Total	**48,000**	**7,094**	**55,094**	**7,863**	**47,231**	**55,094**	**26,462**	**(6,585)**	**19,877**
2020											
Samarco Finance Ltd.	100%	50,000	2,309	-	2,309	2,116	193	2,309	5	(45)	(40)
Samarco Iron Ore Europe B.V	100%	180	23,936	6,393	30,329	5,990	24,339	30,329	2,557	(2,739)	(182)
		Total	**26,245**	**6,393**	**32,638**	**8,106**	**24,532**	**32,638**	**2,562**	**(2,784)**	**(222)**

The transactions of investments in subsidiaries, presented in the individual financial statements of the parent company, are as follows:

	Parent Company and Consolidated	
	2021	**2020**
Balance as of January 1	**24,532**	**19,010**
Equity in earnings (equity accounting)	19,877	(222)
Translation adjustments	2,822	5,744
Balance as of December 31	**47,231**	**24,532**

(In thousands of reais - BRL, unless otherwise stated)

12. FIXED ASSETS

In 2021, as well as in 2020, the investments made corresponded to the Company's current needs.

The composition of the balance of the fixed asset accounts is detailed below:

		Consolidated										Parent company
Cost		**Land**	**Industrial facilities (buildings, machinery and equipment)**	**Pipeline and related systems**	**Plant decommissioning**	**Data processing equipment and Furniture and fixtures**	**Vessels and Vehicles**	**Tools and Mass Assets**	**Right of Use**	**Assets under construction**	**Total**	**Total**
Balance as of December 31, 2019		**285.935**	**17.457.664**	**9.613.199**	**1.094.502**	**284.445**	**589.048**	**348.067**	**22.908**	**833.236**	**30.529.004**	**30.527.395**
Additions	(a)	-	-	-	-	6	-	-	14,726	668,193	682,925	682,919
Provision Write-off (CEMIG) Write-back	(b)	-	1,200	5,278	-	-	-	-	-	-	6,478	6,478
Evaluation of Plant Decommissioning Study	(e)	-	-	-	-	-	-	-	-	609,330	609,330	609,330
Transfers - Incoming	(c)	1,387	793,860	147,034	609,330	24,195	1,642	4,716	-	-	1,582,164	1,582,164
Transfers - Withdrawal		-	(560)	-	-	-	-	-	-	(1,581,604)	(1,582,164)	(1,582,164)
Write-off of property, plant and equipment cost	(b)	-	(2,393)	(5,228)	-	(744)	(114)	(9)	(18,317)	(462)	(27,267)	(27,267)
Effect of exchange rate variations	(d)	83,823	5,191,054	2,805,882	(110,735)	83,474	170,681	102,150	124	27,703	8,354,156	8,353,654
Balance as of December 31, 2020		**371,145**	**23,440,825**	**12,566,165**	**1,593,097**	**391,376**	**761,257**	**454,924**	**19,441**	**556,396**	**40,154,626**	**40,152,509**
Additions	(a)	-	-	-	-	9	-	-	131,041	229,563	360,613	360,604
Evaluation of Plant Decommissioning Study	(e)	-	-	-	-	-	-	-	-	(1,164,482)	(1,164,482)	(1,164,482)
Transfers - Incoming	(c)	8,060	98,829	82,103	(1,164,482)	5,932	5,876	11,157	-	-	(952,525)	(952,525)
Transfers - Withdrawal		-	-	-	-	-	-	-	-	952,525	952,525	952,525
Write-off of property, plant and equipment cost	(b)	-	(3)	-	-	(2,019)	-	(2)	-	-	(2,024)	(2,024)
Effect of exchange rate variations	(d)	29,974	1,646,337	936,403	(49,096)	24,404	57,288	34,016	1,898	1,290	2,682,514	2,682,357
Balance as of December 31, 2021		**409,179**	**25,185,988**	**13,584,671**	**379,519**	**419,702**	**824,421**	**500,095**	**152,380**	**575,292**	**42,031,247**	**42,028,964**

(In thousands of reais - BRL, unless otherwise stated)

Accumulated depreciation, impairment and exchange rate variation		Consolidated Land	Industrial facilities (buildings, machinery and equipment)	Pipeline and related systems	Plant decommissioning	Data processing equipment and Furniture and fixtures	Vessels and Vehicles	Tools and Mass Assets	Right of Use	Assets under construction	Total	Parent company Total
Balance as of December 31, 2019		**(138,389)**	**(10,201,539)**	**(4,789,355)**	**(986,207)**	**(259,524)**	**(464,388)**	**(223,984)**	**(21,104)**	**(634,001)**	**(17,718,491)**	**(17,716,889)**
Depreciation in the period		-	(140,141)	(6,219)	(29,226)	(14,432)	(27,270)	(8,970)	(20,357)	-	(246,615)	(246,612)
Provision Write-off (CEMIG) Write-back	(b)	-	(163)	(856)	-	-	-	-	-	-	(1,019)	(1,019)
Accumulated depreciation write-off	(b)	-	994	1,108	-	691	105	7	18,317	-	21,222	21,222
Impairment - constitution/ write-back	(f)	18,682	225,568	316,575	(259,159)	(1,899)	33,637	17,582	4,705	293,191	648,882	648,882
Effect of exchange rate variations	(d)	-	(1,752,893)	(541,625)	(14,909)	(75,677)	(133,923)	(46,584)	(353)	-	(2,565,964)	(2,565,463)
Balance as of December 31, 2020		**(119,707)**	**(11,868,174)**	**(5,020,372)**	**(1,289,501)**	**(350,841)**	**(591,839)**	**(261,949)**	**(18,792)**	**(340,810)**	**(19,861,985)**	**(19,859,879)**
Depreciation in the period		-	(349,176)	(85,469)	(43,396)	(17,214)	(23,768)	(8,817)	(11,133)	-	(538,973)	(538,964)
Accumulated depreciation write-off	(b)	-	3	-	-	1,987	-	2	-	-	1,992	1,992
Impairment - constitution/ write-back	(f)	119,707	4,490,527	2,591,581	1,208,855	34,992	80,839	86,028	1,517	340,810	8,954,856	8,954,856
Effect of exchange rate variations	(d)	-	(854,742)	(294,925)	(2,988)	(28,612)	(64,019)	(25,099)	(1,442)	-	(1,271,827)	(1,271,673)
Balance as of December 31, 2021		**-**	**(8,581,562)**	**(2,809,185)**	**(127,030)**	**(359,688)**	**(598,787)**	**(209,835)**	**(29,850)**	**-**	**(12,715,937)**	**(12,713,668)**

Balance	Consolidated Land	Industrial facilities (buildings, machinery and equipment)	Pipeline and related systems	Plant decommissioning	Data processing equipment and Furniture and fixtures	Vessels and Vehicles	Tools and Mass Assets	Right of Use	Assets under construction	Total	Parent company Total
Balance as of December 31, 2020	**251,438**	**11,572,651**	**7,545,793**	**303,596**	**40,535**	**169,418**	**192,975**	**649**	**215,586**	**20,292,641**	**20,292,630**
Balance as of December 31, 2021	**409,179**	**16,604,426**	**10,775,486**	**252,489**	**60,014**	**225,634**	**290,260**	**122,530**	**575,292**	**29,315,310**	**29,315,296**

(In thousands of reais - BRL, unless otherwise stated)

(a) As of December 31, 2021, additions related to assets under construction resulted in an amount of BRL 229,563 (BRL 668,193 in 2020). Of this total of additions, it is worth highlighting the main project, detailed below:

- BRL 42,970 – acquisition of Germano/Ubu spare parts

As described in explanatory note 1(b), as a result of the new legislation and aiming at greater safety when resuming operations, Samarco has adjusted its operational process for handling tailings, so that it has implemented new technologies and procedures for the disposal of flotation sandy tailings and sludge, seeking safer and space optimizing solutions.

The sandy tailings and sludge dewatering system is intended to make the Germano Plant operation feasible for concentrators II and III.

The composition of the additions by nature is as follows:

Project Name	Start date	End date	2021	2020
Germano/Ubu Spare Parts	2014	2022	42,970	35,624
Dewatering system for sandy tailings and sludge	2018	2022	35,287	281,808
Refurbishment and Acquisition of Components - Mine Fleet	2018	2022	35,287	281,808
Structural recovery of Ubu	2018	2022	15,872	21,630
Recovery structure reclaimer 56RC00	2020	2022	15,640	7,783
Rehabilitation of HPP Risoleta Reservoir	2021	2022	9,869	-
Suppression and revegetation drainages south PDER	2021	2022	8,981	-
Resloping of reagent plant	2021	2022	8,092	-
Structural recovery of Germano	2020	2022	7,758	6,549
North dam upgrade	2018	2022	4,019	4
Land	2018	2022	3,477	6,503
Automated siren activation system	2021	2022	3,469	-
PCN - replacement of tailings in the pit	2016	2022	3,219	28,037
Monitoring tailings disposal instrumentation south pit	2021	2022	3,080	-
Pellets and PSC domestic market	2021	2022	2,738	-
Emergency alert system Muniz Freire	2021	2022	2,363	-
Resloping of the dam spillway system	2021	2022	2,359	-
Alegria Norte office and workshop relocation	2020	2022	2,122	3,619
Drainage of Alegria Norte basins	2020	2022	2,117	2,513
Overhaul of yard and port equipment	2021	2022	2,008	-
Solid bulk by port	2021	2022	1,530	-

>> TO BE CONTINUED

(In thousands of reais - BRL, unless otherwise stated)

>> CONTINUATION

Project Name	Start date	End date	2021	2020
Customs System Improvement	2020	2022	1,296	2,964
Retrofit Components Electrical System Substation	2021	2022	1,260	-
Water intake in Santarém	2020	2022	1,214	4,809
Capitalizable equipment - Ubu	2021	2022	1,200	-
Capitalizable equipment - GMG	2020	2022	1,107	3,712
P3-P4 warehouse relocation	2021	2022	959	-
Capital expenditures - UHE Guilman Amorim	2016	2022	877	726
IT projects - Operational Readiness Hardware	2019	2022	860	10,249
Ore Pipeline Operational Readiness 3	2021	2022	620	-
Improvement of video monitoring of the port area	2020	2022	373	19,037
Environmental water precondition	2018	2022	180	26,548
Improvement of the Macacos dam and workshop	2018	2022	84	5,052
Matipó dam improvement	2018	2022	2	2,490
Axis 1 dam	2019	2022	1	66,946
Acquisition of refractory bricks for furnaces	2020	2021	-	2,973
Breakwater structural recovery	2020	2021	-	2,590
SDCI Centralization	2020	2021	-	2,512
Concentrator 2 restart	2018	2021	-	2,352
Atmospheric environmental precondition - ubu	2020	2021	-	2,198
Recovery of pier piles	2020	2021	-	1,658
Others	-	-	26,403	71,364
TOTAL			**229,563**	**668,193**

(b) The sales that took place in 2021 correspond mainly to write-offs due to scrapping resulting from the change-out of inoperative equipment. The residual amount written off was BRL 32.

(c) The investments in fixed and intangible assets are recorded in assets under construction. Once these investments are concluded and start operating, the assets are capitalized (transferred) to the respective accounts of fixed and intangible assets, according to the accounting nature of each asset.

(d) The effect of changes in the exchange rate refers to the translation of the financial statements from the functional currency (US dollar) to the presentation currency (Real).

(e) The evaluation study for decommissioning the industrial plants was reviewed at the discount rate and resulted in an decrease of approximately BRL 1.164.482 (increase of BRL 609.330 in 2020), according to explanatory note 20.

(f) The Company recognized, in the result for the year ended as of December 31, 2021, a total impairment write-back of BRL 8,954,856 in the value of its property, plant and equipment as detailed in explanatory note 12.1.

12.1 Impairment analysis

On December 31, 2021, the amount in use of the Mining segment was updated to reflect Management's best estimates of the future profit/loss obtained from the sale of iron ore pellets, based on sales price projections, expenses and investments. This assessment remains sensitive to the volatility of commodity prices and any changes in long-term expectations may lead to future adjustments in the recognized amount.

The evaluation of the recoverable value of the assets was based on projected cash flows with the revised mine plan, considering the Company as a single cash generating unit (CGU). To make the cash flow projections, the following were considered: (i) estimated service life of Samarco's mines; (ii) assumptions and budgets approved by the Company's Management for the period corresponding to the estimated service life; (iii) discount rate derived from the weighted average cost of capital (WACC) calculation method; (iv) market projections regarding exchange rates (Real/US Dollar) ;(v) market projections regarding the iron ore pellet price quotation (BF and DR). To calculate the impairment, the amounts recorded in fixed and intangible assets were considered.

The main assumptions used in the cash flow projections to determine the value in use of the CGU were: WACC of 9.92% (9.14% in 2020); average exchange rate for 2022 of BRL 5.58 (BRL 5.27 in 2021); average pellet price BF and DR, according to Platts index and pellet premium projected by market analysts and international sea freight references.

Due mainly to the revised projections for expenses and long-term investment, the Company recognized in the result for the year ended as of December 31, 2021 a total impairment write-back of BRL 9,040,117 (BRL 8,954,856 in property, plant and equipment and BRL 85,262 in intangible assets) that was recognized in the result of the financial statements.

12.2 Residual value

The company adopts the policy of extending the service life of its assets as much as possible, by carrying out preventive and corrective maintenance. These policies allow it to keep its assets in perfect operation and producing for long time until they effectively become obsolete or scrapped. Therefore there is no expectation of recovering values on the sale of fixed assets, or that their residual values will approach zero.

12.3 Assets in guarantee

As of December 31, 2021 the Company had collateral for legal proceedings. These assets are recorded as property, plant and equipment and comprise machinery and equipment, land and related systems, whose net book value is BRL 2,253,658 (BRL 2,331,821 in 2020). The value is composed of the acquisition cost of the asset minus depreciation and does not include the result of impairment.

12.4 Service life

In compliance with technical pronouncement CPC 27 - Fixed Assets, the Company concluded during 2021 that the residual service lives of its industrial complex were normal, since there were no changes in the expected use of the asset, which is evaluated based on its capacity or expected physical production. Therefore, there were no changes in the use patterns of Samarco's property, plant and equipment in 2021, i.e., their service lives are compatible with the expected benefit of its industrial complex.

Please find below a summary of the description of the accounts that make up the fixed assets, as well as the service life by accounting nature of the assets, used to calculate depreciation, based on the produced units method for the items directly related to the respective productive areas and the straight-line depreciation method for the others:

(In thousands of reais - BRL, unless otherwise stated)

		2021		2020	
Item	**Description of accounts**	**Weighted average service life in years**	**Years of depreciation**	**Weighted average service life in years**	**Years of depreciation**
Buildings	Buildings, sheds, gate houses, paving, and civil works improvements.	27	10 to 50	28	10 to 50
Machinery and equipment	Furnace, pelletizing disks, ship loader, loaders, precipitators, ball mills, grate cars, among others.	16	10 to 50	17	10 to 50
Pipeline and related systems	Piping for ore transportation and industrial facilities, such as belt conveyors, cabling among others.	14	1 to 31	15	1 to 31
Plant decommissioning	Environmental obligations for discontinuing the Germano and Ubu pipeline and industrial facilities.	36	43	37	43
Data processing equipment	Microcomputers, printers, monitors, notebooks, servers, optical interfaces, collectors, switch, hub, patch panel, racks, etc.	4	5	4	5
Furniture and fixtures	Chairs, tables, cabinets, and other related furniture.	5	10	5	10
Vessels	Boats, rafts, speedboats and dredges.	16	9 to 24	17	9 to 24
Vehicles	Cars, trucks, forklifts, cranes, tractors, loaders.	7	4 to 25	7	4 to 25
Tools	Impact wrenches, multimeters, tachymeters, microscopes, and other small appliances.	6	10 to 25	7	10 to 25
Rotation assets	Parts and pieces of machinery and equipment and industrial plants.	19	10 to 27	19	10 to 27
Bulk assets	Circuit breakers, capacitors, hydraulic pumps, and other small assets.	13	5 to 24	14	5 to 24

(In thousands of reais - BRL, unless otherwise stated)

12.5 Right-of-Use Assets

As described in the explanatory note 2.20, the various assets such as: real estate, vehicles, production equipment and IT equipment, were previously classified as either operating or financial, based on their assessment of whether the lease significantly transferred all the risks and benefits inherent in ownership of the underlying asset to the Group.

As of 2019, with the implementation of CPC 06(R2) - Leases, the Company started to recognize right-of-use assets, i.e. these leases started to constitute the property, plant and equipment group in the balance sheet. The discount rate used for leases was 8% p.y.

13. INTANGIBLE

The composition of intangible assets is detailed below:

		Consolidated								Parent company
Cost		Rights of Way	Mining Rights	Other Rights	Barren Removal	345KV LT Basic Network Connection-Use Rights	Software Application Systems	Assets under construction	Total	Total
Balance as of December 31, 2019		**34,490**	**50,980**	**2,322**	**31,114**	**159,761**	**205,969**	**4,632**	**489,268**	**489,259**
Additions	(a)	-	-	-	-	-	-	6,313	6,313	6,313
Transfers - Incoming		84	-	-	-	-	5,110	-	5,194	5,194
Transfers - Withdrawal		-	-	-	-	-	-	(5,194)	(5,194)	(5,194)
Write-off of intangible cost		-	-	-	-	-	(83)	-	(83)	(83)
Effect of exchange rate variations	(b)	9,975	14,750	671	9,002	46,222	60,183	263	141,066	141,062
Balance as of December 31, 2020		**44,549**	**65,730**	**2,993**	**40,116**	**205,983**	**271,179**	**6,014**	**636,564**	**636,551**
Additions	(a)	-	-	-	-	-	-	4,388	4,388	4,388
Transfers - Incoming		19	-	-	-	-	441	-	460	460
Transfers - Withdrawal		-	-	-	-	-	-	(460)	(460)	(460)
Write-off of intangible cost		3,293	4,855	217	2,961	15,214	20,038	3,844	50,422	50,421
Effect of exchange rate variations	(b)	47,861	70,585	3,210	43,077	221,197	291,658	13,786	691,374	691,360
Balance as of December 31, 2021		**47,861**	**70,585**	**3,210**	**43,077**	**221,197**	**291,658**	**13,786**	**691,374**	**691,360**

(In thousands of reais - BRL, unless otherwise stated)

		Consolidated								Parent company
Amortization		Rights of Way	Mining Rights	Other Rights	Barren Removal	345KV LT Basic Network Connection-Use Rights	Software Application Systems	Assets under construction	Total	Total
Balance as of December 31, 2019		**(21,035)**	**(40,438)**	**(2,322)**	**(24,771)**	**(66,831)**	**(198,759)**	**(3,524)**	**(357,680)**	**(357,671)**
Amortization for the period	(c)	(296)	(163)	-	(627)	(19)	(6,176)	-	(7,281)	(7,281)
Accumulated amortization write-off		-	-	-	-	-	50	-	50	50
Impairment - constitution/write-back	(d)	1,043	618	-	1,381	7,817	2,052	3,200	16,111	16,111
Effect of exchange rate variations	(b)	(4,419)	(10,862)	(671)	(5,592)	(28)	(58,887)	-	(80,459)	(80,455)
Balance as of December 31, 2020		**(24,707)**	**(50,845)**	**(2,993)**	**(29,609)**	**(59,061)**	**(261,720)**	**(324)**	**(429,259)**	**(429,246)**
Amortization for the period	(c)	(296)	(163)	-	(627)	(884)	(5,347)	-	(7,317)	(7,317)
Impairment - constitution/write-back	(d)	6,620	3,695	-	6,681	59,014	8,928	324	85,262	85,262
Effect of exchange rate variations	(b)	(1,948)	(3,931)	(217)	(2,554)	(1,443)	(22,330)	-	(32,423)	(32,422)
Balance as of December 31, 2021		**(20,331)**	**(51,244)**	**(3,210)**	**(26,109)**	**(2,374)**	**(280,469)**	**-**	**(383,737)**	**(383,723)**

	Consolidated								Parent company
Balance	Rights of Way	Mining Rights	Other Rights	Barren Removal	345KV LT Basic Network Connection-Use Rights	Software Application Systems	Assets under construction	Total	Total
Balance as of December 31, 2020	**19,842**	**14,885**	**-**	**10,507**	**146,922**	**9,459**	**5,690**	**207,305**	**207,305**
Balance as of December 31, 2021	**27,530**	**19,341**		**16,968**	**218,823**	**11,189**	**13,786**	**307,637**	**307,637**

(a) The investments and the expenses related to intangible assets are registered in the assets under construction item in the fixed assets. Once these investments are concluded and start operating, the assets are capitalized (transferred) to the respective accounts of intangible assets, according to the accounting nature of each asset.

(In thousands of reais - BRL, unless otherwise stated)

The composition of the additions by nature is as follows:

Project Name	Start date	End date	2021	2020
Software acquisition	2021	2022	2,217	-
Network operation support	2021	2022	929	-
Electricity management software update	2021	2022	356	-
IT demands	2021	2022	192	-
Handling sensitive data - LGPD	2021	2022	187	-
Mine planning software	2018	2021	-	1,699
Update of critical network assets	2020	2021	-	1,178
Update of telephone services	2020	2021	-	899
Geotechnical expert software	2020	2021	-	827
Others			507	1,710
TOTAL			**4,388**	**6,313**

(b) The effect of changes in the exchange rate refers to the translation of the financial statements from the functional currency (US dollar) to the presentation currency (Real).

(c) For the rights of way and mining rights, the amortization of intangible assets is calculated according to the expected service life of the iron ore mines owned by the Company. For the others, the straight-line method is applied.

(d) The Company recognized, in the year ended as of December 31, 2021, a total impairment write-back of BRL 85,262 in the value of its intangible assets as detailed in explanatory note 12.1.

(In thousands of reais - BRL, unless otherwise stated)

13.1 Service life

Please find below a summary description of the accounts that compose the intangible assets, as well as the service life by accounting kind:

		2021		2020	
Item	**Description of accounts**	**Weighted average service life in years**	**Years of depreciation**	**Weighted average service life in years**	**Years of depreciation**
Rights of way	Rights acquired for the use of the strip of land easement for the passage of pipelines.	30	43	31	43
Mining Rights	Mining rights for exploration of iron ore deposits.	32	43	33	43
Barren Removal	Cost of barren removal, incurred in a strip mine during the production phase of the mine.	20	25	21	25
345KV LT basic network right	345KV LT basic network connection-use rights	23	25	24	25
Software application systems	Software and licenses.	4	5	4	5

13.2 Research and development

The Company made disbursements related to research and development expenses amounting to BRL 18,570 (BRL 23,538 in 2020); these were recognized as other net operating expenses in 2021 as per explanatory note 26.

14. UPPLIERS

	Parent company		Consolidated	
	2021	**2020**	**2021**	**2020**
Domestic market	466,935	245,189	466,943	245,206
Foreign market	7,246	13,132	7,255	13,167
Related parties (note 30)	1,503	-	1,503	-
	475,684	**258,321**	**475,701**	**258,373**

(In thousands of reais - BRL, unless otherwise stated)

15. LOANS AND FINANCING

Loans and financing are tools used to finance the Company's projects and other needs.

As a result of the interruption of its operational activities, after the Fundão dam collapse in 2015, the Company did not meet some obligations present in its loan and financing agreements. As a consequence of these defaults, all loans and financing were reclassified to short-term, reflecting an increase in interest.

Loans and Financing		Parent Company and Consolidated 2021	Parent Company and Consolidated 2020
Operations Abroad	Bonds	12,254,315	11,403,067
	EPPs (export revenue)	8,905,520	8,292,976
Operations country	BNDES Finame	139,323	139,323
	Petrobrás Loan	1,811	5,882
	Debêntures (note 30)	9,542,708	8,472,544
Total		**30,843,677**	**28,313,792**
Current		**30,843,677**	**28,313,792**

In 2021, the Company contracted loans with its shareholders Vale and BHP Billiton Brasil through the issue of simple, non-convertible debentures. The Vale and BHP Billiton Brasil issuances have identical conditions regarding amount, term, and interest (LIBOR plus 1.15% per year).

All the issuances that expired in 2021 were renegotiated and had their validations extended.

As of December 31, 2021, the provision for interest on foreign currency loans and financing, which represented 68.6% of total loans and financing (73.5% as of December 31, 2020), was as follows:

Finance charges payable - foreign currency USD	Parent Company and Consolidated			
	2021		2020	
Interest rate (per year)	Principal amount	Accrued interest	Principal amount	Accrued interest
2% to 3%	2,711,831	625,050	2,525,305	478,672
3% to 4%	6,193,689	1,585,212	5,767,671	1,126,147
Above 4%	12,254,315	4,156,471	11,403,067	2,981,745
	21,159,835	**6,366,733**	**19,696,043**	**4,586,564**

(In thousands of reais - BRL, unless otherwise stated)

As of December 31, 2021, interest on local currency loans and financing, which represented 31.4% (26.5% as of December 31, 2020) of total loans and financing, was as follows:

Finance charges payable - local currency BRL	Parent Company and Consolidated			
	2021		2020	
Interest rate (per year)	Principal amount	Accrued interest	Principal amount	Accrued interest
2% to 3%	9,682,031	168,380	8,611,867	174,734
3% to 4%	-	-	-	-
Above 4%	1,811	1,715	5,882	6,161
	9,683,842	**170,095**	**8,617,749**	**180,895**

Debenture issues in local currency have interest rates pegged to Libor.

The average cost of debt in 2021 in foreign currency was 4.3% p.y. and in local currency was 1.5% p.y. In 2020 the average cost of debt in foreign currency and local currency was 4.3% p.y. and 2.3% p.y, respectively.

In 2021, the transaction in loans and financing and financial charges payable is represented as shown in the table below:

	Parent Company and Consolidated	
	2021	2020
Loans and financing, financial charges payable as of January 1	**33,081,251**	**23,064,846**
Addition of Financing Raising	1,231,872	2,987,545
Payment of loans and financing	(4,071)	(366)
Addition of financial charges	1,538,979	1,361,470
Payment of financial charges	(5,455)	(831)
Net exchange variation	1,531,042	5,668,127
Amortized cost	6,888	460
Loans and financing, financial charges payable as of December 31	**37,380,506**	**33,081,251**

Guarantees and obligations of loans and financing

Due to the non-operational situation of the Company, since the collapse of the Fundão dam, as already mentioned, some covenants present in its loans and financing contracts have not been met, such as the debt to equity ratio (Net Debt/EBITDA limited to 4:1). Also, the Company failed to pay principal and interest on loans due in the year.

For the calculation of the Net Debt/EBITDA ratio, the Company uses an adjusted EBITDA as the basis for calculating the financial covenants, which is in line with the definitions included in the various contracts in force with the creditors. For this criterion, non-cash extraordinary gains and losses, such as provisions, are excluded to reflect in the EBITDA the expectation of cash generation, thus evaluating the Company's financial solidity and liquidity and its ability to pay all the debt in a certain time.

The Company hired J.P. Morgan to act as financial advisor in the renegotiation of its debt. The negotiation process with creditors is still ongoing. On April 9, 2021, Samarco filed the request for Judicial Reorganization, as described in note 1(c).

(a) Class Action Complaint

On November 14, 2016, a putative class action was filed in the United States District Court - Southern District of New York - on behalf of all bond notes purchasers, papers that were purchased between October 31, 2012 and November 30, 2015, and maturing in ten years (2022, 2023 and 2024), against Samarco and its former CEO. The complaint contains claims under US federal securities laws and indicates that the plaintiff will seek US court approval to proceed with a class action.

On March 6, 2017, this putative class action was amended to include BHP Group Ltd, BHP Group Plc, BHP Billiton Brasil Ltda., and Vale S.A. and executives of Samarco, including four members of its Board of Directors, which is composed of representatives of Vale and BHP Billiton Brasil. On April 5, 2017, the autors filed a motion to dismiss the lawsuit against the individuals, only maintaining the action against the legal entities.

As of August 31, 2017, the "Motion to Dismiss the Amended Complaint" prepared jointly by defendants was filed. In June 2019 preliminary defense was accepted judging the action extinguished in its preliminary phase.

The Plaintiffs have appealed against this extinguishment decision. This appeal was also rejected in March 2021.

The decision that rejects the appeal could be appealed to the Supreme Court. However, no appeal has been filed by the Plaintiffs to date and the chance of success in a possible new appeal, according to the Company's lawyers, is estimated to be low.

Regardless of having filed an appeal, on April 19, 2021, Samarco filed an auxiliary insolvency application in the United States, seeking, in a preliminary order, to protect its assets in this territory due to the deferral of Judicial Reorganization processing, as provided for in Chapter 15 of the North American Bankruptcy Code (Bankruptcy Code). On April 22, 2021, the Bankruptcy Court of the Southern District of New York (United Stated Bankruptcy Court for the Southern District of New York) issued a favorable decision to Samarco, on a preliminary and provisional basis until the final decision of this court on the application for recognition of the effects of Judicial Reorganization in North American territory.

On May 13, 2021, the Southern District of New York Court issued an order acknowledging Samarco's Judicial Reorganization as a principal foreign record for the purposes of Chapter 15. Among other issues, the decision suspends legal proceedings against the Company in the US, including any measure related to the Class Action subject matter of this note.

b) Enforcement Actions of Bonds issued in 2012, 2013 and 2014

On September 2, 2020, the Bank of New York Mellon, Trustee on behalf of certain financial creditors of Samarco, commenced three actions in the New York State Supreme Court, Commercial Division seeking payment from Samarco of amounts due on three global notes totaling approximately BRL 15,2 billion (USD 2.7 billion).

All three actions were removed to the Federal Court in the Southern District of New York and, besides granting a request for an extension of time, the Court provided the opportunity for them to file pre-motion letters with the main arguments of their claims. Samarco informed that it would seek the dismissal/suspension of the case and the Plaintiff informed that it would seek a search and seizure of assets before the end of the case.

The Court allowed the filing of both Samarco's and the Plaintiff's motion and set a schedule for the parties to manifest themselves as of October 30, 2020. Both Samarco and the Bank of New York Mellon presented their reasons within the established deadlines, and the Plaintiff also requested the designation of a hearing and bearing of a Samarco's representative.

(c) Chapter 15 of the US Bankruptcy Code

On April 19, 2021, Samarco filed an auxiliary insolvency application in the United States, seeking, in a preliminary order, to protect its assets in this territory due to the deferral of Judicial Reorganization processing, as provided for in Chapter 15 of the North American Bankruptcy Code (Bankruptcy Code). On April 22, 2021, the Bankruptcy Court of the Southern District of New York (United Stated Bankruptcy Court for the Southern District of New York) issued a favorable decision to Samarco, on a preliminary and provisional basis until the final decision of this court on the application for recognition of the effects of Judicial Reorganization in North American territory.

On May 13, 2021, the Southern District of New York Court issued an order acknowledging Samarco's Judicial Reorganization as a principal foreign record for the purposes of Chapter 15. Among other issues, the decision suspends legal proceedings against the Company in the US, including the 3 enforcement actions object of this note.

This lawsuit is classified as a possible loss, according to explanatory note 19.

16. EMPLOYEE BENEFITS

16.1 Retirement benefits

The company sponsors Fundação Vale do Rio Doce de Seguridade Social (ValiaPrev), a multi-sponsored, multi-plan entity that manages benefit plans with asset independence and provides participants and their dependents with benefits that are supplementary or similar to those of the Basic Official Pension Plan. The plan offered is a defined contribution one and encompasses the following benefits:

» Normal retirement income
» Anticipated retirement income
» Supplementation of invalid pension
» Supplementation of surviving spouse pension
» Income of surviving spouse pension
» Income of deferred benefit due to dismissal
» Supplementation of annual bonus
» Income of annual bonus
» Redemption

(a) Defined contribution retirement plan

To fund the plan, ordinary contributions are made in an amount equal to that of the participant, limited to 9% on the portion of the participation salary exceeding 10 reference units of the plan, and also contributions to guarantee the risk benefits (disability and death in activity and annual bonus) and for the administrative cost of the plan.

In 2021, the Company made contributions to the defined contribution plan in the amount of BRL 6,155 (BRL 7,132 in 2020).

(b) Defined benefit portion of the pension plan

The costs and obligations related to the retirement benefits offered to its employees upon retirement are recorded based on a specific actuarial appraisal report.

The actuarial appraisal report calculated the retirement benefits considering the definitions in the regulations, regarding eligibilities, benefit formulas and forms of readjustment.

(In thousands of reais - BRL, unless otherwise stated)

The actuarial appraisal report evaluated the defined benefit portion, existing in the plan, which represents the constructive obligation referring to supplementary retirement due to permanent disability, surviving spouse pension and annual bonus, called Risk Plan, and the retirement income.

1 – Change in current value of obligation

	2021	2020
Present value of the actuarial obligation at the beginning of the year	68,037	64,195
Cost of current service	818	737
Interest cost on present value of actuarial obligation	4,650	4,646
Actuarial (Gains)/Losses - Experience	4,991	3,565
Actuarial (Gains)/Losses - Demographic assumptions	(353)	-
Actuarial (Gains)/Losses - Financial assumptions	(12,585)	(1,206)
Benefits paid by the plan	(4,122)	(3,900)
Present value of the actuarial obligation at the end of the year	**61,436**	**68,037**

2 – Change in fair value of assets

	2021	2020
Fair value of assets at the beginning of the year	99,495	99,635
Actual return on investments	(993)	3,424
Contributions paid by the Company	1	336
Benefits paid by the plan	(4,122)	(3,900)
Fair value of assets at the end of the year	**94,381**	**99,495**

3 – Change in Unrecoverable Surplus

	2021	2020
Unrecoverable Surplus at the End of the Previous Year	31,457	35,441
Interest on unrecoverable surplus	2,215	2,640
Change in unrecoverable surplus during the period	(728)	(6,624)
Unrecoverable Surplus at the End of the Current Year	**32,944**	**31,457**

(In thousands of reais - BRL, unless otherwise stated)

4 – Defined benefit costs

4.1 – Results for the year	2021	2020
Cost of the Company's current service	818	737
Net interest on net liabilities/(assets)	-	(13)
Cost of defined benefit in the result	**818**	**724**

4.2 – Other Comprehensive Results (OCR)	2021	2020
Actuarial (Gains)/Losses on Liability Development	4,991	3,565
Actuarial (Gains)/Losses on changes in assumptions	(12,938)	(1,206)
Actuarial (Gains)/Losses arising in the period	**(7,947)**	**2,359**
Income in plan assets (greater)/less than discount rate	7,857	3,877
Change in unrecoverable surplus	(728)	(6,624)
Remeasurement of effects on other comprehensive income	**(818)**	**(388)**

4.3 – Defined benefit cost	2021	2020
Cost of current service	818	737
Net interest on net liabilities/(assets) value	-	(13)
Remuneration of the effects recognized in OCR	(818)	(388)
Defined benefit cost	**-**	**336**

(In thousands of reais - BRL, unless otherwise stated)

5 – Transactions in net liabilities/assets

5.1 – Net (liabilities)/assets	2021	2020
Present value of the obligation (PVO)	(61,436)	(68,037)
Fair value of assets	94,381	99,495
Total (Liabilities)/net assets to be recognized	**32,945**	**31,458**

5,2 – Reconciliation of total net (liabilities)/assets	2021	2020
(Liabilities)/total net assets at the beginning of the year	-	-
Service Cost	818	(737)
Net interest on net liabilities/(assets) value	(1)	13
Remuneration of the effects recognized in OCR	(818)	388
Contributions paid by the Company	1	336
(Liabilities)/total net assets at the end of the year	**-**	**-**

6 – Estimated cost of benefit defined for 2022

	2021	2020
Cost of current service	605	818
Net interest on net liabilities (assets)	-	-
Cost to be touted in the result	**605**	**818**

7 – Expected cash flow

	Expected	Real
Company Contributions	-	1
Benefits paid by the plan	4,373	4,122

(In thousands of reais - BRL, unless otherwise stated)

8 – Actuarial assumptions

	2021	2020
Economic		
Discount rate	8.68% per year	7.04% per year
Wage growth rate	5.32% per year	5.32% per year
Inflation	3.25%	3.25%
Benefit growth	3.25% per year	3.80% per year
Return on long-term assets	8.68% per year	7.04% per year
Demographic		
Mortality table	AT-2000 Basic	AT-2000 (H)
Mortality table for disabilities	CSO-1980	CSO-1980
Entrance table for disabilities	RGPS 1992-2002 55%	RGPS 1992-2002 55%
Turnover table	Valiaprev Experience 2016-2020 from 25 to 55 years old	0% to 55 years old
% of active participants who were married at retirement date	85%	100%
Age difference between participant and spouse	Male spouses 4 years older than wives	Wives are 5 years younger than husbands

8.1 Sensitivity analysis

	2021		2020	
	Sensitivity analysis	VPO	Sensitivity analysis	VPO
Discount rate	9.68%	55,771	1% increase	60,879
Discount rate	7.68%	68,200	1% decrease	76,749

(In thousands of reais - BRL, unless otherwise stated)

9 - Summary of the participants' data

	2021	2020
Active and self-sponsored employees		
Number	1,510	1,381
Average age	42.12	41.58
Average time of employement (years)	11.37	11.72
Average annual salary	103,626	94,369
Participants with assisted benefits		
Number	133	131
Average annual salary	32,431	31,670

10 – The plan assets are managed as follows:

Active per category	2021	2020
Fixed Income	749,580	719,621
Variable income	122,616	150,373
Structured Investments	113,651	88,059
Foreign Investments	34,590	736
Loans	27,900	23,547
	1,048,337	**982,336**

(In thousands of reais - BRL, unless otherwise stated)

16.2 Other employee benefits

The Company also offers other benefits to employees, such as a self-managed and co-payment health care plan (referring to expenses incurred), which extends to dependents of employees, called Supplemental Health Care (Assistência Médica Supletiva - AMS). This plan provides the beneficiaries with health care services in outpatient, hospital, dental, and pharmacy procedures, and is assured by a Collective Bargaining Agreement and for which the Company assumes the entire administrative fee. The expenses with other benefits were recognized in the income as follows:

	Parent company		**Consolidated**	
	2021	**2020**	**2021**	**2020**
Remuneration and charges	(193,510)	(171,658)	(195,865)	(172,958)
Social security charges	(47,975)	(40,353)	(47,975)	(40,353)
Retirement plan benefits	(7,007)	(7,899)	(7,007)	(7,899)
Meal vouchers	(17,964)	(15,249)	(17,964)	(15,249)
Health care	(16,578)	(12,235)	(16,578)	(12,235)
Others	(21,335)	(19,225)	(21,981)	(19,385)
	(304,369)	**(266,619)**	**(307,370)**	**(268,079)**

17. SALARIES, PROVISIONS AND SOCIAL CONTRIBUTIONS

The balance of salaries, provisions and contributions is detailed below:

	Parent company		**Consolidated**	
	2021	**2020**	**2021**	**2020**
Provision for profit sharing	49,500	-	49,500	-
Vacation provision	25,905	22,769	25,990	22,896
Employees' Social Security	8,674	3,790	8,674	3,790
FGTS payable	2,270	1,544	2,270	1,544
Others	4,171	1,243	4,176	1,246
Total	**90,520**	**29,346**	**90,610**	**29,476**

(In thousands of reais - BRL, unless otherwise stated)

18. TAX PAYABLE

The balance of tax payable is detailed below:

		Parent company		Consolidated	
		2021	2020	2021	2020
ICMS to be collected		3,499	3,332	3,499	3,332
DIFAL of ICMS to be collected		1,661	1,137	1,661	1,137
REFIS - Tax Recovery - taxes in installments	(a)	116,704	129,336	116,704	129,336
Withholding income tax on interest - remittance abroad	(b)	682,778	495,729	682,778	495,729
NJP tax transaction	(c)	50,124	-	50,124	-
Withholding income tax to be collected		6,042	4,322	6,018	4,322
Withheld ISS		4,912	3,872	4,912	3,872
DIFAL of Social Security to be collected		3,624	3,916	3,624	3,916
PIS/COFINS on financial income		1,867	92	1,867	92
Others		25,107	2,753	25,108	2,753
Total		**896,318**	**644,489**	**896,295**	**644,489**
Current Liabilities		753,784	532,347	753,761	532,347
Non-Current Liabilities		142,534	112,142	142,534	112,142
Total		**896,318**	**644,489**	**896,295**	**644,489**

(a) As of December 20, 2013, Samarco joined the REFIS IV installment payment program, pursuant to Law 12,865/13. The first installment was paid upon adhesion. As of December 31, 2021, the amount of BRL 99,112 (BRL 112,142 as of December 31, 2020) refers to the long-term installments, updated by SELIC. The short-term installments totaled BRL 17,592 (BRL 17,194 as of December 31, 2020). The consolidation of debts was carried out with the Brazilian Federal Revenue Service ("other debts" modality with 78 installments payable as of December 31, 2021 and "social security" modality with 80 installments payable as of December 31, 2021) and the Office of Attorney-General of the National Treasury ("other debts" modality with 76 installments as of December 31, 2021), in September 2017 and February 2018, respectively, keeping the Company regularly active under this installment plan.

(b) Basically refers to the provision for taxes levied on:

(i) services rendered by the subsidiary Samarco Europe related to the intermediation of iron ore sales.

(ii) the provision for interest on loans and financing in the country.

(c) On July 12, 2021, Samarco entered into a Procedural Agreement - NJP with the Attorney General's Office of the National Treasury - PGFN, whereby debts of a social security nature and penalty for non-compliance with accessory obligation were included in the Tax Transaction. The first installments were paid upon adhesion. As of December 31, 2021, the amount of BRL 43,422 refers to the long-term installments, updated by SELIC. The short-term installments totaled BRL 6,702, and the Company remains regularly active in this installment.

(In thousands of reais - BRL, unless otherwise stated)

19. PROVISIONS FOR CONTINGENCIES

The Company is a party to lawsuits and administrative proceedings before courts and government agencies, arising from the normal course of its operations, mainly involving tax, civil, labor and environmental issues. The Management, based on the information and assessments from its legal advisors, internal and external, set up provisions for contingencies in an amount assessed sufficient to cover the losses considered probable.

In 2021, the provisions for probable contingencies are presented net of the corresponding court deposits in the amount of BRL 50,460 (BRL 132,726 in 2020). The balance of court deposits without related provisions is recorded in the assets as the amount of BRL 2,015,142 (BRL 1,946,192 in 2020) and its composition is detailed below:

	Parent Company and Consolidated	
	2021	2020
Tax court deposits	1,700,988	1,586,696
Civil court deposits	300,005	346,186
Labor court deposits	10,464	9,633
Environmental court deposits	3,685	3,677
	2,015,142	**1,946,192**

The transaction to the Company's provisions for probable contingencies is as follows.

	Parent Company and Consolidated				
	2019	Additions	Write-backs	Charges	2020
Tax claims	146,404	513	-	1,339	148,256
(-) Tax court deposits	(77,811)	-		(849)	(78,660)
Civil claims	7,092	6,361	(438)	802	13,817
(-) Civil court deposits	(105)	(2,252)	-	(58)	(2,415)
Labor claims	62,253	12,592	(20,198)	13,382	68,029
(-) Labor court deposits	(10,782)	(3,032)	2,360	(5,145)	(16,599)
Environmental claims	269	-	-	29	298
	127,320	**14,182**	**(18,276)**	**9,500**	**132,726**

(In thousands of reais - BRL, unless otherwise stated)

	Parent Company and Consolidated				
	2020	Additions	Write-backs	Charges	2021
Tax claims	148,256	791	(64,822)	1,421	85,646
(-) Tax court deposits	(78,660)	(791)	-	(1,277)	(80,728)
Civil claims	13,817	22	(5,945)	1,553	9,447
(-) Civil court deposits	(2,415)	-	-	(138)	(2,553)
Labor claims	68,029	10,853	(28,042)	4,385	55,225
(-) Labor court deposits	(16,599)	(1,830)	4,719	(2,912)	(16,622)
Environmental claims	298	-	(261)	8	45
	132,726	**9,045**	**(94,351)**	**3,040**	**50,460**

The provisions composition occurs according to the following table:

		Parent Company and Consolidated					
		2021			2020		
		Provision	Court deposits	Net	Provision	Court deposits	Net
ECE - ES	(a.1)	43,064	(43,064)	-	42,465	(41,531)	934
ECE - MG	(a.1)	34,403	(34,403)	-	33,934	(33,934)	-
Attorneys' fees	(a.2)	4,721	-	4,721	4,578	-	4,578
Others		3,458	(3,260)	198	67,279	(3,195)	64,084
Tax Claims		85,646	(80,727)	4,919	148,256	(78,660)	69,596
Civil claims	(a.3)	9,447	(2,553)	6,894	13,817	(2,415)	11,402
Labor claims		55,225	(16,623)	38,602	68,029	(16,599)	51,430
Environmental claims		45	-	45	298	-	298
		150,363	**(99,903)**	**50,460**	**230,400**	**(97,674)**	**132,726**

(In thousands of reais - BRL, unless otherwise stated)

(a) Provisions recognized by the Company for litigation:

			Parent Company and Consolidated	
Note	**Description**	**Position**	**2021**	**2020**
(a.1)	Litigation proceedings seeking the declaration of unconstitutionality and illegality of the requirement for charges and the purchase of emergency electric power, due to technical flaws as per the institution of these exceptions.	ES – Proceedings in the liquidation phase with partially favorable decision to Samarco, in relation to the self-produced electric energy by the company. MG – Process with an unfavorable decision on the Company, awaiting conversion of the deposit into income.	77,467	76,399
(a.2)	Provision related to attorneys' fees regarding proceedings that are classified as remote loss.	-	4,721	4,578
(a.3)	Provision set up to cover potential losses from civil proceedings.	Proceedings in the court scope, in several procedural stages.	9,447	13,817
(a.4)	Proceedings related to the payment of profit sharing distribution (PLR) for managerial positions.	Proceedings included in a tax transaction through a Procedural Agreement - NJP entered into with PGFN in 2021.	-	11,828
(a.5)	Proceedings related to the former Guilman Amorim Hydroelectric Power Plant, dissolved by spin-off and subsequent merger, referring to the inclusion in the COFINS calculation base of lease revenue.	Proceedings awaiting analysis of the Writ of Mandamus at the second instance court	197	195
Others	Provision set to cover potential losses from tax proceedings	Proceedings in the administrative and court scope, in several procedural stages.	3,261	55,256
Labor	Labor proceedings related, above all, to the application of fines by the control bodies, besides labor claims filed by the company employees and third parties.	Proceedings in the administrative and court scope, in several procedural stages.	55,225	68,029
Environmental	Provision set up to cover potential losses from environmental proceedings	Proceedings in the administrative and court scope, in several procedural stages.	45	298
			150,363	**230,400**

(In thousands of reais - BRL, unless otherwise stated)

(b) Possible contingencies:

The Company is a party to other proceedings for which the Management, based on the assessment of its legal advisors, internal and external, did not set up a provision for contingencies, since the loss expectations were considered possible, the main being:

Description	Position	2021	2020
Tax Assessment Notices referring to the alleged lack of payment of the "CSLL" in the calendar years 2007 to 2014 and a writ of mandamus involving the period from 2013 onwards.	The collections of 2007/2008 and 2009/2010 CSLL, as well as an isolated fine for the 2007/2008 period, are subject to suspension due to a preliminary court decision. The 2011/2012 CSLL requirement is suspended at the administrative level awaiting analysis of leading cases by the Supreme Court. Pending appreciation regarding the isolated fine in the last administrative instance. For the period from 2013 onwards, Samarco has a writ of mandamus with a favorable decision in the first and second instances, considering the unconstitutionality of the CSLL collection vis-à-vis the Company.	6,066,242	5,861,459
Tax Foreclosure for the years 2000 to 2003, 2007 to 2008 and Tax Assessment Notices for the periods from 2009 to 2014 for allegedly incorrect calculation of the IRPJ due to the application of the 18% rate on the profit from the export of minerals and discussion to respect of the deductibility of the acquisition cost of mining rights.	Proceedings related to the period from 2000 to 2003 and 2007 to 2008 subject to collection in the court sphere with full guarantee of the debt, pending analysis in Trial Court. 2009 and 2010 period with partially favorable decision at the first instance court pending analysis at the second instance. In relation to the period from 2011 to 2014, in February of 2021 a favorable decision for the Company was issued in the first instance, pending review of the appeal by the Federal Government.	4,659,250	4,539,459
Tax Assessment Notices drawn up by the National Mining Agency for alleged underpayment of the Financial Compensation for the Exploitation of Mineral Resources (CFEM).	Charges for the period from out/1998 to 2017. Regarding tax foreclosures that charge debts for the period from 1998 to 2005, the review of the Company's appeal in the Appellate Court is pending. The charges for the period from 2008 to 2017 are pending analysis at the administrative level by the ANM.	1,686,422	1,667,509
Tax Foreclosures related to the PIS contribution calculation basis for the periods from September 1989 to December 1993.	1 case pending decision at the first instance court and 1 case pending review at the second instance court.	23,118	22,942
Tax Assessment Notices relating to the requirement for social security contributions on payments made to its insured employees as a "Campo de Ideias" Premium and Scholarship, among other matters, such as (i) fine for failing to collect social contributions; (iii) fine for lack of information in the GFIPs; and (iii) additional GILRAT in case of noise exposure.	Awaiting analysis at the administrative level.	5,585	4,623

>> TO BE CONTINUED

(In thousands of reais - BRL, unless otherwise stated)

>> CONTINUATION

Description	Position	2021	2020
Disallowance of PIS and COFINS credits from April 2006 to December 2007 and 2008 to 2010 with IRPJ debts of monthly estimate calculated in the same period, delivering the PER/DCOMPs individualized by quarter and source of credits (credits from PIS and COFINS).	Awaiting analysis at the administrative level.	350,978	316,040
Assessment regarding the collection of ICMS in the electric power transfer operations of the SHP Muniz Freire, owned by the Company, for consumption at its industrial establishment in Ponta Ubu, Anchieta/ES.	Favorable decision in the Appellate Court, awaiting final and unappealable decision.	25,554	24,145
Civil Proceedings related mainly to indemnities to third parties. According to the opinion of the Company's legal advisors, the likelihood of loss in these disputes is possible.	Proceedings in the court sphere in several procedural stages.	6,133,035	1,772,294
Related labor proceedings, the application of fines by the control bodies, besides labor claims filed by the company employees and third parties.	Proceedings in the court sphere in several procedural stages.	577,530	653,074
Proceedings involving environmental risks referring to the States of Minas Gerais and Espírito Santo, with respect to assessments by the supervisory bodies.	Proceedings in the court sphere in several procedural stages.	1,569,928	1,739,572
On September 2nd, 2020, the Bank of New York Mellon, Creditors Trustee, filed three lawsuits in the Supreme Court of the State of New York, Commercial Division intending Samarco to pay the amounts due in three global invoices, totaling approximately USD 2,7 billion.	In the face of the news of Judicial Reorganization request in Brazil , the judge responsible for said actions called the parties for clarification and it was agreed, in a conference call held between the parties on April 13, 2021, that the process would be suspended and that the parties would update the court regarding new developments. The granting of Chapter 15 will suspend actions.	As disclosed in explanatory note 15 (b)	As disclosed in explanatory note 15 (b)
Others	-	113,780	458,007
		21,211,422	**17,059,124**

(In thousands of reais - BRL, unless otherwise stated)

20. OTHER PROVISIONS

		Parent Company and Consolidated	
		2021	2020
Provision of electric power	(a)	15,919	3,714
Provision for socio-environmental and socioeconomic recovery	(b)	20,544,922	4,743,522
Provision for environmental liabilities at the Germano dam	(c)	653,274	458,607
Total current		**21,214,115**	**5,205,843**

		Parent Company and Consolidated	
		2021	2020
Provision for mining rights (note 30)	(d)	112,222	112,222
Provision with obligation to demobilize assets	(e)	1,171,838	2,186,132
Provision for socio-environmental and socioeconomic recovery	(b)	13,607,356	12,292,811
Provision for environmental liabilities at the Germano dam	(c)	1,340,181	1,887,010
Total non-current		**16,231,597**	**16,478,175**

(a) Acquisition of energy for use in the production process, not billed by the concessionary companies in the period.

(b) Provision related to the Collapse of the Fundão tailings dam, as disclosed in explanatory note 3(d).

(c) According to explanatory note 1 (b), in February 2019, there was a change in legislation involving dam safety policies (Law No. 23,291, of February 25th, 2019, instituted the State Dam Safety Policy). In line with the aforementioned law, the joint SEMAD/FEAM Resolution No. 2,784, of March 21, 2019, decrees, among other determinations, the decharacterization/decommissioning of all tailings dams that use or used the upstream raising method, related to mining activities in the state of Minas Gerais.

In this sense, the process of closing the Germano dam and pit presupposes the removal of the dam function, interrupting the process of tailings disposal (which renders it an inactive structure), with no more water accumulation forming a permanent lake and it requires, within a long-term vision, the joint adoption of solutions aimed at the physical, chemical and biological stability of the structure.

(In thousands of reais - BRL, unless otherwise stated)

The transaction in the provision for the decommissioning of the Germano dam and pit is shown in the table below:

	Parent Company and Consolidated	
	2021	2020
Balance as of January 1	2,345,617	2,533,811
Realized provision	(469,158)	(125,193)
Financial Update	110,675	158,519
Increase (decrease) in the provision	6,321	(221,520)
Balance as of December 31	**1,993,455**	**2,345,617**
Current Liabilities	**653,274**	**458,607**
Non-Current Liabilities	**1,340,181**	**1,887,010**

(d) The Company pays the shareholder Vale for the assignment of mining rights over the geological resources of iron ore. These amounts are calculated at the rate of 4% on dividends paid.

(e) The transaction in the provision for the obligation to demobilize assets is shown in the table below:

	Parent Company and Consolidated	
	2021	2020
Balance as of January 1	2,186,132	1,477,776
Increase in provision (financial update)	150,188	99,026
Estimated revisions to cash flows	(1,164,482)	609,330
Balance as of December 31	**1,171,838**	**2,186,132**
Non-current	**1,171,838**	**2,186,132**

The conceptual closure plan of the units is drawn up by successive approximations, in evolution of the levels of studies aimed at closing actions throughout the project service life until the level of detail for executive projects near to the closing period is reached, which depends on the type of operation, the socio-environmental scope and the project service life. This plan includes a diagnosis of the current sites situation, evaluates potential impacts and risks of the projects closure in several spheres such as economic, environmental, social, legal and engineering spheres, it establishes measures to be adopted before, during and after the closure to achieve the desired objectives and minimize the risks, estimates a physical financial closure schedule based on the project's assets service life and estimates the closing costs according to the plan phase.

(In thousands of reais - BRL, unless otherwise stated)

The Company's policy is to review this plan every three years, or whenever there are significant changes in the project or in the surrounding conditions. In December 2021, the decommissioning assessment study for the Germano, Ubu and Minerodutos industrial plants was updated at a discount rate. This resulted in an decrease of BRL 1,164,482 (increase of BRL 609,330 on December 31, 2020) of liabilities referring to the provision for assets demobilization.

The provision for assets demobilization was based on current information including available technology and current prices. The provision set up was deducted to present value using a discount rate of 5.4130% per year, based on the parameters adopted by the Company for economic and financial assessments.

21. OTHER LIABILITIES

The other liabilities are represented as follows:

		Parent company		Consolidated	
		2021	2020	2021	2020
Commissions/services payable abroad to related parties (note 30)	(a)	41,936	22,383	-	-
Demurrage payable	(b)	1,187	1,158	1,187	1,158
Amounts payable (materials/services)	(c)	2,172	3,254	2,172	3,254
HPP Guilman-Amorim Consortium (note 2.3(b) and note 10)		3,757	3,994	3,757	3,994
Environmental fines Installments- SEMAD	(d)	-	46,344	-	46,344
Lease liabilities		121,905	2,291	121,905	2,291
TEP - NG contract with Petrobrás Distribuidora – BR	(e)	168,824	144,807	168,824	144,807
Others		13,073	5,636	13,197	5,758
Total		**352,854**	**229,867**	**311,042**	**207,606**
Current liabilities		**198,614**	**98,900**	**156,802**	**76,639**
Non-current		**154,240**	**130,967**	**154,240**	**130,967**

(a) Refers to marketing services provided by the subsidiary Samarco Europe.

(b) Amount due by Samarco for the additional time used for loading or unloading the product at the port.

(c) Amountsreferring to materials and goods acquired whose tax registration was not carried out, since the respective invoice had not been issued by the supplier. The goods and materials are already accounted for in inventory and cost.

(d) Environmental fines arising from the damages caused by the Collapse of the dam, as disclosed in explanatory note 3(e). All amounts were settled in FY 2021.

(e) Refers to the debt related to the TEP (Pending Issues Closing Term) signed between Samarco and Petrobrás Distribuidora - BR on August 11, 2020, related to the natural gas agreement, updated monthly by the IGPM since April / 2020, being divided into 30 installments, to be paid six months after the resumption of Samarco's operations.

(In thousands of reais - BRL, unless otherwise stated)

22. NET EQUITY

22.1 Capital

The share capital, fully subscribed and paid up as of December 31st, 2021 and 2020, is BRL 297,025 divided into 5,243.298 nominative common shares as follows:

	Number of shares	% of total capital
BHP Billiton Brasil Ltda.	2,621,649	50
Vale S.A.	2,621,649	50
	5,243,298	**100**

22.2 Dividends

At the Ordinary General Meeting held on April 28th, 2015, the distribution of dividends related to 2014 was approved in the amount of BRL 2.805,548, with the following: (i) the amount of BRL 2.104,161 refers to additional dividends and; (ii) the amount of BRL 701.387 refers to mandatory dividends recorded in non current liabilities.

According to the Company's Bylaws, mandatory dividends are 25% of net income under the terms of Law 6,404/76.

As of December 31st, 2021, the Company accumulated a loss of BRL 55,234,957 (BRL 42,852,153 as of December 31st, 2020).

22.3 Comprehensive income

		Parent Company and Consolidated	
		2021	2020
Inventory		244,790	239,106
Property, plant and equipment and intangible assets		17,656,683	16,227,995
Loans and Financing		12,784	15,814
Cost		1,909,928	1,362,793
Foreign exchange gains/losses		(29,274,029)	(23,870,420)
Others	(a)	(2,434,377)	(2,440,044)
Cumulative translation adjustments	**(b)**	**(11,884,221)**	**(8,464,756)**
Remeasurement of retirement obligations	**(c)**	**(2,814)**	**(3,632)**
		(11,887,035)	**(8,468,388)**

(In thousands of reais - BRL, unless otherwise stated)

(a) The amount refers to cumulative translation adjustments for advances to suppliers, prepaid expenses and revenues, equity pick-up, cost of products sold and other (income) net expenses.

(b) It refers to foreign exchange gains/losses resulting from the balance sheet translation and the income of the exercise of the functional currency US dollar to the presentation currency of the financial statements, Real.

(c) It refers to actuarial gains and losses on the evolution of liabilities, changes in scenarios, income on plan assets and changes in irrecoverable surplus (explanatory note 16).

23. REVENUE

The Company operates in the mining market, providing its revenue through the sale of iron ore pellets: PDR - Pellet for direct reduction and PBF - Pellet for blast furnace. The surplus production of iron ore concentrate is marketed as fines (pellet feed).

Due to the Collapse of the Fundão dam and the subsequent suspension of exploration licenses, operations were temporarily suspended in November 2015, with no production until November de 2020. As disclosed in explanatory note 1, Samarco gradually resumed operations in December 2020, thus restarting activities related to iron ore extraction, in processing and pelletizing plants.

In 2020, the Company sold to the domestic and foreign markets, selling pellet feed to countries in the Americas and Asia and pellets to Brazil. In addition to revenues from products and by-products, the Company obtained revenues from surplus electric power and revenues from logistical services at its port, such as rental of tugboats and provision of areas.

In 2021, the Company resume its activities with approximately 26% of its capacity, selling pellets and pellet feed to foreign and domestic markets, selling to countries in the Americas, Europe, Africa, the Middle East and Asia, and pellets to Brazil.

In addition to the revenue from the sales of its products, pellets and iron ore concentrate, the Company continued to have revenue from logistics services at the port it owns, such as tugboat rental and availability of areas, recorded under "Other products and services".

	Parent Company and Consolidated	
	2021	2020
Pelotas - Country	588,969	-
Pellets - Abroad	8,375,143	-
Fines - Abroad	46,282	55,365
Electric power	20	42,873
Provision of Port Berth	-	18,618
Other products and services	17,836	7,060
Total gross revenue	**9,028,250**	**123,916**
Sales taxes	(129,537)	(8,239)
Sales returns	(65)	(31)
Net Revenue	**8,898,648**	**115,646**

(In thousands of reais - BRL, unless otherwise stated)

24. COSTS OF GOODS SOLD

The costs of goods sold are shown below:

		Parent company		Consolidated	
		2021	2020	2021	2020
Inputs		(323,723)	-	(323,723)	-
Depreciation and amortization		(318,595)	-	(318,595)	-
Contracted services		(296,518)	-	(296,518)	-
Materials		(176,519)	-	(176,519)	-
Electric power		(143,561)	-	(143,561)	-
Personnel expenses		(113,285)	-	(113,285)	-
Currency translation	(a)	(547,135)	(242,918)	(547,135)	(242,918)
Sale of electric power		1,106	(8,242)	1,106	(8,242)
Provision of port berth		(2,276)	(5,465)	(2,276)	(5,465)
CFEM		(35,375)	(1,653)	(35,375)	(1,653)
Idle capacity	(b)	(283,049)	(1,082,507)	(283,049)	(1,082,507)
TFRM		(12,975)	-	(12,975)	-
Right of use amortization		(11,133)	(20,357)	(11,133)	(20,357)
Provision (write-back) for reinforcement of dam installations	(c)	(101,634)	15,165	(101,634)	15,165
Others		(195,355)	(2,105)	(195,379)	(2,085)
Costs of goods sold		**(2,560,027)**	**(1,348,082)**	**(2,560,051)**	**(1,348,062)**

(a) The effect of changes in the exchange rate refers to the translation of the financial statements from the functional currency (US dollar) to the presentation currency (Real).

(b) Samarco resumed operations gradually in December 2020 (explanatory note 1). Accordingly, Samarco's fixed costs for the Germano, MG and Ubu, ES units until November 31st, 2020, were allocated directly to cost, under the "idle capacity" budget item. After the operation resumption, costs were allocated according to the production volume and fixed costs resulting from the idleness of both units and they were allocated directly to cost under the "idle capacity" budget item, as detailed below:

(In thousands of reais - BRL, unless otherwise stated)

	2021	2020
Inputs	(66)	(969)
Materials	(23,455)	(87,991)
Services	(31,692)	(259,566)
Labor	(1,523)	(149,157)
Electric power	(12,154)	(28,857)
Depreciation	(35,069)	(206,702)
Maintenance/Conservation –Remaining Structures	(172,727)	(42,286)
TEP - NG contract with Petrobrás Distribuidora - BR	-	(124,175)
Operational readiness	-	(175,635)
TEP –White Martins Gases Industriais	(4,000)	-
Others	(2,363)	(7,169)
Total	**(283,049)**	**(1,082,507)**

Part of the balance recorded in the "idle capacity" budget item, in the amount of BRL 172,727 (BRL 42,286 in 2020), it refers to third-party services for the maintenance and remediation of Samarco's facilities affected by the collapse of the dam disclosed in the explanatory note 3(g).

(c) Provision related to the collapse of the Fundão tailings dam, as disclosed in explanatory note 3 (g).

(In thousands of reais - BRL, unless otherwise stated)

25. SALES, GENERAL AND ADMINISTRATIVE EXPENSES

	Parent company		Consolidated	
	2021	2020	2021	2020
Sales expenses				
Contracted services	(26,776)	(39,660)	(27,194)	(39,975)
Personnel expenses	(18,450)	(15,989)	(21,452)	(17,449)
Depreciation and amortization	(17,062)	(10,184)	(17,067)	(10,187)
Auxiliary materials	(12,022)	(9,170)	(12,027)	(9,170)
Shipping expenses, net	4,836	(192)	4,836	(192)
Provision for loss on doubtful liquidation	(1,094)	(6,786)	(1,094)	(6,786)
Provision (write-back) for taxes under remittance abroad	674	(2,357)	674	(2,357)
Subsidiaries' commercial expenses (Note 30)	(26,008)	(2,389)	-	-
Maintenance activities expenses	(6,644)	(4,190)	(6,644)	(4,190)
General expenses	(9,898)	(2,799)	(12,532)	(3,472)
Total	**(112,444)**	**(93,716)**	**(92,500)**	**(93,778)**
General and administrative expenses				
Contracted services	(42,941)	(16,227)	(42,941)	(16,227)
Personnel expenses	(85,763)	(42,108)	(85,763)	(42,108)
Depreciation and amortization	(9,796)	(1,254)	(9,796)	(1,254)
Auxiliary materials	(1,955)	(354)	(1,955)	(354)
General expenses	(5,482)	(6,101)	(5,482)	(6,101)
Total	**(145,937)**	**(66,044)**	**(145,937)**	**(66,044)**

(In thousands of reais - BRL, unless otherwise stated)

26. OTHER OPERATING INCOME (EXPENSES), NET

The balance of other net operating expenses is detailed below:

		Parent company		Consolidated	
		2021	2020	2021	2020
Write-back for ICMS losses - ES		(44,350)	7,173	(44,350)	7,173
Provisions for contingencies		74,894	(12,367)	74,894	(12,367)
Provision for socio-environmental and socioeconomic recovery	(a)	(16,588,979)	(3,216,112)	(16,588,979)	(3,216,112)
Expenses with socio-environmental and socioeconomic recovery	(a)	(327,181)	(194,160)	(327,181)	(194,160)
Provision contributions to the Renova Foundation (note 30)	(a)	(4,300,135)	(3,800,000)	(4,300,135)	(3,800,000)
Provision (write-back) for the decommissioning of the Germano dam		462,837	346,713	462,837	346,713
Expenses with Germano dam environmental liabilities		(469,158)	(125,193)	(469,158)	(125,193)
Provision (write-back) for impairment loss - CGU (note 12.1)		9,040,118	664,993	9,040,118	664,993
Tax Expenses		(62,277)	(26,265)	(62,277)	(26,265)
Expenses with investments and social projects		(27,615)	(18,240)	(27,615)	(18,240)
Expenses with Renova Foundation	(a)	(3,699,865)	(9,263)	(3,699,865)	(9,263)
Research expenses (note 13)		(18,570)	(23,538)	(18,570)	(23,538)
Attorney and expert fees		(5,602)	(4,398)	(5,602)	(4,398)
Inventory adjustment (warehouse)		(3,855)	(4,096)	(3,855)	(4,096)
Write-back to permanent asset write-off		-	5,459	-	5,459
Other provisions		(2,057)	(670)	(2,057)	(670)
Employee participation		(49,500)	-	(49,500)	-
Other, net		(62,905)	147,823	(62,925)	147,778
Currency translation	(b)	(37)	2,770,214	(37)	2,770,214
Total		**(16,084,237)**	**(3,491,927)**	**(16,084,257)**	**(3,491,972)**

(In thousands of reais - BRL, unless otherwise stated)

(a) Provisions and expenses related to the collapse of the Fundão tailings dam, as disclosed in explanatory note 3.

(b) The effect of changes in the exchange rate refers to the translation of the financial statements from the functional currency (US dollar) to the presentation currency (Real).

27. FINANCIAL RESULT

The financial result breakdown is represented as follows:

		Parent Company and Consolidated	
Finance income		**2021**	**2020**
Income on judicial deposits	(a)	12,708	49,283
Income from financial investments		472	82
Deductions obtained		7,069	12
Other financial income		2,705	1,215
Financial income - consolidated		**22,954**	**50,592**
Subsidiaries' recorded income		(245)	(5)
Financial income - parent company		**22,709**	**50,587**

		Parent Company and Consolidated	
Finance expenses		**2021**	**2020**
Charges on loans and financing		(1,538,979)	(1,349,736)
Interest on contingencies	(a)	5,143	(1,977)
Late payment and tax interest		(11,131)	(8,607)
Bank fees and commissions		(18,853)	(19,502)
Withholding income tax on interest - remittance abroad		(187,723)	(197,840)
PIS and COFINS on financial income		(7,876)	(1,459)
Financial expenses provision for socio-environmental and socioeconomic recovery	(b)	(425,332)	(1,663,636)
Financial expenses with lease liabilities		(242)	(396)
Other financial expenses		(293,133)	(297,000)
Financial expenses - consolidated		**(2,478,126)**	**(3,540,153)**
Subsidiaries' recorded expenses		41	25
Parent Company's financial expenses		**(2,478,085)**	**(3,540,128)**

(In thousands of reais - BRL, unless otherwise stated)

(a) It refers to the updating of judicial deposits and provisions for contingencies related to tax, civil, labor and environmental lawsuits.

(b) Financial update of the provisions related to the Collapse of the Fundão tailings dam, as disclosed in explanatory note 3 (i).

The foreign exchange gains/losses balance is represented as follows:

Foreign exchange gains/losses	2021	2020
Cash flow	8,440	3,624
Customers	(5,566)	(174)
Recoverable taxes	(11,227)	(24,689)
Court deposits	(152,573)	(512,129)
Trade payables	(980)	30,134
Payroll, provisions and social contributions	2,549	3,466
Taxes payable	53,013	137,108
Dividend	202,818	719,811
Contingency	14,908	55,692
Deferred income tax	349,870	274,841
Other liabilities in the country of related parties	761,564	1,591,916
Other Provisions	1,689,575	3,785,096
Others	1,398	92,984
Foreign exchange gains/losses, net – consolidated	**2,913,789**	**6,157,680**
Foreign exchange gains/losses, net – recorded from subsidiaries	108	(82)
Foreign exchange gains/losses, net – parent company	**2,913,897**	**6,157,598**

(In thousands of reais - BRL, unless otherwise stated)

28. INCOME TAX

The Company is subject to income tax at a rate of 25%.

28.1 Income tax payable

Below, we present the transaction of income tax payable:

	Parent company		Consolidated	
	2021	**2020**	**2021**	**2020**
Balance at the beginning of the year	**-**	**-**	**9**	**167**
Provisions for the period	45,622	36,787	45,741	36,983
Payments	(196,658)	(36,787)	(196,740)	(37,141)
Recoverable income tax	151,036	-	151,036	-
Balance at the end of the year	**-**	**-**	**46**	**9**

28.2 Deferred income tax

The Company has deferred income tax recorded in non-current assets constituted on temporarily non-deductible provisions at rates of 25%, according to the application of each provision as an adjustment to taxable income.

Due to the uncertainty of the Company's operational activities resumption (explanatory note 1 (b)), an analysis was carried out regarding the realization of the deferred income tax constituted up to December 31st, 2021.

And, because it understands that future taxable profits and income subject to taxation at a rate of 25% will not be sufficient to support the use of deferred income tax and tax loss, the Company opted to do the write-off of deferred income tax.

28.3 Deferred income tax on non-monetary items

The financial statements have been translated from the functional currency of the US dollar (USD) to the Real (BRL), which is the presentation currency, while the calculation basis for income tax on assets and liabilities is determined in the Real currency (BRL). Accordingly, the rate fluctuation can have a significant effect on the amount of income tax expenses, especially on non-monetary assets.

Breakdown of deferred income tax on monetary and non-monetary items, net:

	2021	**2020**
Amounts constituted by the rate of:	**25%**	**25%**
Provision for ICMS losses - ES and MG	380,829	369,741
Provision for price reduction corrections	13,913	-
Provision for profit sharing	12,375	-
Provision for property, plant and equipment write-off	-	-
Provision for civil claims	2,362	3,455

>> TO BE CONTINUED

(In thousands of reais - BRL, unless otherwise stated)

>> CONTINUATION

	2021	2020
Amounts constituted by the rate of:	**25%**	**25%**
Provision for tax claims	14,022	16,084
Provision for labor claims	13,806	16,982
Provision for environmental claims	11	75
Provision for mining rights	28,055	28,055
Provision for socio-environmental and socioeconomic recovery	8,538,070	4,259,083
Provision for other accounts payable related parties	3,614,158	2,539,125
Germano dam environmental provision	498,364	586,404
Actuarial Liabilities	(1,407)	-
Provision with obligation to demobilize assets	123,371	85,192
Foreign exchange gains/losses not carried out	3,266,603	2,521,568
Provision for impairment	-	2,260,029
Tax loss	-	3,374,556
Provision for liability of tax loss	-	(3,374,556)
Others	(33,646,769)	168,125
Provision for assets loss	17,142,271	(12,680,787)
Total consolidated assets	**34**	**173,131**
Tax depreciation	(1,336,602)	(1,229,470)
Financial income on judicial deposits	-	(163,155)
Translation - functional currency difference	(4,478,734)	(4,120,926)
Total consolidated liabilities	**(5,815,336)**	**(5,513,551)**
Total consolidated net	**(5,815,302)**	**(5,340,420)**
Subsidiaries' recorded provisions	(34)	(12)
Total parent company net	**(5,815,336)**	**(5,340,432)**

(In thousands of reais - BRL, unless otherwise stated)

Samarco has changed the IRPJ calculation criterion for the base year 2021, ceasing to adopt the tax incentive of 18% on the export activity of abundant minerals, and starting to collect the tax according to the general rule of the Real Profit with the incidence of the final rate of 25%. Notwithstanding the fact that the Company has a final and unappealable decision that assures it to be assessed with the incidence of a differentiated rate of 18%, since the base year 2000, the Federal Revenue Service of Brazil has promoted repeated assessments questioning the form of assessment adopted by the Company, which still are discussed at the administrative and judicial levels. With the recent operational return and to promote greater predictability to the Company, it was decided for not using the tax incentive in the period, to avoid further questions by the tax authorities on this topic, despite the fact that the Company understands that the calculation is legitimate with the application of the incentive rate, and it will continue with the past discussions in progress.

The expected realization of the deferred income tax on translation and tax depreciation is detailed below:

	Up to 1 year	From 1 to 3 years	From 3 to 5 years	From 5 to 8 years	From 8 to 10 years	More than 10 years	Total 2021
Others	-	-	-	-	-	-	-
Translation - functional currency difference	157,860	304,122	365,661	1,040,099	484,756	2,126,201	4,478,699
Tax depreciation	-	-	-	-	-	1,336,603	1,336,603
Total consolidated	**157,860**	**304,122**	**365,661**	**1,040,099**	**484,756**	**3,462,804**	**5,815,302**
Subsidiaries' provisions	34	-	-	-	-	-	34
Total parent company	**157,894**	**304,122**	**365,661**	**1,040,099**	**484,756**	**3,462,804**	**5,815,336**

(In thousands of reais - BRL, unless otherwise stated)

28.4 Income tax on the financial result

	Parent company		Consolidated	
	2021	2020	2021	2020
Loss before taxation	**(9,525,601)**	**(2,216,288)**	**(9,525,482)**	**(2,216,091)**
Difference in functional currency - art.62 of Law 12,973/2014	(4,853,680)	(15,314,687)	(4,853,680)	(15,314,687)
Taxable net loss	**(14,379,281)**	**(17,530,975)**	**(14,379,162)**	**(17,530,778)**
Permanent differences:				
Equity in the results of investees	(22,636)	(8,204)	-	-
Profits earned abroad	20,990	213	20,990	213
Non-deductible tax fines	638	1,834	638	1,834
Non-deductible donations	10,345	10,771	10,345	10,771
Variation performed (cash basis)	66,851	-	44,215	-
Other permanent additions (exclusions)	18,627	166	18,627	(8,038)
Temporary differences:				
Provision for socio-environmental and socioeconomic recovery	21,416,080	8,664,583	21,416,080	8,664,583
Provision for the Germano dam decommissioning	-	(188,195)	-	(188,195)
Provision for property, plant and equipment write-off	-	(5,459)	-	(5,459)
Tax depreciation	(428,529)	(585,790)	(428,529)	(585,790)
Income on judicial deposits	(10,193)	(47,435)	(10,193)	(47,435)
Foreign exchange gains/losses not carried out	2,489,585	6,638,515	2,489,585	6,638,515
Impairment	(9,040,117)	(664,993)	(9,040,117)	(664,993)
Other temporary additions (exclusions)	118,379	268,969	118,260	268,772
Tax Profit (Loss) Before Compensation	260,739	(3,446,000)	260,739	(3,446,000)
Tax loss offset	(78,250)	-	(78,250)	-
Tax Profit (Loss) after compensation	182,489	(3,446,000)	182,489	(3,446,000)
Nominal tax rate	25%	25%	25%	25%
Calculated income tax	(45,622)	861,500	(45,622)	861,500
Deferred income tax, tax depreciation	(107,132)	(146,481)	(107,132)	(146,481)
Deferred income tax on temporary additions (exclusions)	4,920,280	3,519,878	4,920,280	3,519,878
Income tax of foreign companies	-	-	(119)	(197)

>> TO BE CONTINUED

(In thousands of reais - BRL, unless otherwise stated)

>> CONTINUATION

Provision for deferred income tax loss temporary additions	(4,949,807)	(3,519,878)	(4,949,807)	(3,519,878)
Provision for liability of tax loss	19,563	(861,500)	19,563	(861,500)
Deferred income tax on translation	(357,808)	(2,226,604)	(357,808)	(2,226,604)
income tax on the financial result	**(520,526)**	**(2,373,085)**	**(520,645)**	**(2,373,282)**
Effective rate	**3.11%**	**13.54%**	**3.11%**	**13.54%**

The following is a breakdown of income tax (expense) segregated between current and deferred:

	Parent company		Consolidated	
	2021	2020	2021	2020
Current income tax	(45,622)	-	(45,741)	(197)
Deferred income tax, tax loss	-	861,500	-	861,500
Provision for deferred income loss, tax loss	19,563	(861,500)	19,563	(861,500)
Provision for deferred income tax	4,324,936	3,519,878	4,324,936	3,519,878
Provision for deferred income tax loss	(4,461,595)	(3,666,359)	(4,461,595)	(3,666,359)
Deferred income tax on non-monetary items	(357,808)	(2,226,604)	(357,808)	(2,226,604)
Deferred and current income tax expenses	**(520,526)**	**(2,373,085)**	**(520,645)**	**(2,373,282)**

29. COMMITMENTS

The Company has long-term agreements for the supply of raw materials, services and property, plant and equipment purchases, as shown in the following table:

	Up to 1 year	From 1 to 2 years	From 2 to 3 years	From 3 to 5 years	More than 5 years	Total 2021	Total 2020
Capital expenditures for expansion and renovation of fixed assets	383,412	24	-	-	-	383,436	399,940
Services and others	1,518,220	827,675	379,803	237,037	20,909	2,983,644	2,114,026
Acquisition of iron ore	-	-	-	-	-	-	3,746,734
Supply of energy and raw material	628,188	263,922	117,770	240,733	-	1,250,613	1,201,986
Chartering and logistics costs	-	-	-	-	-	-	3,472
	2,529,820	**1,091,621**	**497,573**	**477,770**	**20,909**	**4,617,693**	**7,466,158**

(In thousands of reais - BRL, unless otherwise stated)

The commitments demonstrate Samarco's long-term contractual obligations with suppliers for the renewal and expansion of fixed assets, as well as for the provision of various services aimed at the maintenance of manufacturing and administrative units, acquisition of iron ore from third parties, supply of energy and inputs, as well as freight costs with shipments.

30. RELATED PARTIES

The main balances of transactions with related parties are detailed below:

		Shareholders		Entity under common control	Subsidiaries		Parent company		Consolidated	
		BHP Billiton Brasil	Vale	Ponta Ubu Agropecuária	Samarco Finance	Samarco Europe	2021	2020	2021	2020
Current assets										
Accounts receivable (note 6)	(a)	-	-	-	2,288	-	2,288	2,131	-	-
Non-current										
Advances to supplier	(b)	-	44,085	-	-	-	44,085	44,085	44,085	44,085
Other assets (note 10)		-	-	1,327	-	-	1,327	1,327	1,327	1,327
Property, plant and equipment	(c)	-	10,831	-	-	-	10,831	11,424	10,831	11,424
Current liabilities										
Trade payables (Note 14)		-	1,503	-	-	-	1,503	-	1,503	-
Other liabilities (commissions/services payable) note 21		-	-	-	-	41,936	41,936	22,383	-	-
Loans and Financing (note 15)		4,771,354	4,771,354	-	-	-	9,542,708	8,472,544	9,542,708	8,472,544
Financial charges		67,278	67,278	-	-	-	134,556	147,660	134,556	147,660
Non-current										
Dividends (note 22)		1,402,774	1,402,774	-	-	-	2,805,548	2,805,548	2,805,548	2,805,548
Mining Rights (note 20)	(d)	-	112,222	-	-	-	112,222	112,222	112,222	112,222
Other liabilities in the country of related parties	(e)	7,228,317	7,228,317	-	-	-	14,456,634	10,156,499	14,456,634	10,156,499
Income Statement										
Sales, general and administrative expenses (note 25)		-	-	-	-	(26,008)	(26,008)	(2,389)	-	-
Other net operating income (expenses) (Note 26)	(e)	(2,150,067)	(2,150,067)	-	-	-	(4,300,134)	(3,800,000)	(4,300,134)	(3,800,000)
Finance expenses		6,552	6,552	-	-	(241)	12,863	(28,191)	13,104	(28,191)

(In thousands of reais - BRL, unless otherwise stated)

(a) The balance of accounts receivable and revenues of the subsidiary Samarco Finance refer to the sale of iron ore, acquired from the Parent Company and sold on the foreign market to third parties.

(b) Prepayment of BRL 44,085 to Vale for the partial lease of the mining rights of "Conta História Norte" and "Alegria" (mining areas). Vale is responsible in full for holding the rights until the date of the lease registration, by the competent authority.

(c) Assets transferred in loan for use to Vale.

(d) In November 1989, the Company entered into an agreement with Vale for the transfer of mining rights for the exploitation of iron ore deposits. The agreement governs that Vale ceded and transferred mining rights to two mineral reserves to Samarco.

The agreement amount observed the payment of mining rights: (i) Single payment made in the amount of BRL 19,972, and (ii) Variable payments corresponding to 4% on the gross amount of dividends paid by Samarco to its shareholders until the depletion of capital reserves.

The price agreed in the agreement is not fixed, being established as a percentage of the gross dividends paid. For the year ended as of December 31st, 2021 and 2020, there were no payments.

(e) Funding from the Shareholders Vale and BHP Billiton Brasil to Renova Foundation, as disclosed in explanatory note 3(f).

Compensation of key management personnel. The amounts related to the compensation of key management personnel are shown below:

	2021	2020
Compensation (i)	13,153	7,994
Health care plan	52	28
Private pension	628	592
Life insurance	97	92
	13,930	**8,706**

(i) Includes wages, salaries and indemnity.

Board members and general managers are considered to be key Management personnel.

(In thousands of reais - BRL, unless otherwise stated)

31. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

31.1 Financial risk management

The Company has financial instruments inherent to its operations, represented by cash and cash equivalents, short-term investments, accounts receivable, other assets, suppliers, loans and financing, financial charges payable and other liabilities.

The management of these instruments aims to ensure the maximum possible liquidity, profitability and security. Financial management considers the risk exposure analysis that Management intends to cover (exchange rate, interest rate, etc.) and the policies and strategies defined by the Company's Management, always approved by its Finance Committee.

The Company and its subsidiaries do not make speculative investments in derivatives or in any other risky assets.

31.2 Financial instruments by category

The Company's financial instruments were classified as follows:

	Parent company		Consolidated	
	2021	2020	2021	2020
Current assets	Amortized Cost	Amortized Cost	Amortized Cost	Amortized Cost
Cash and cash equivalents	1,994,145	79,938	2,000,775	83,846
Restricted short-term investments	1,438	2,848	1,438	2,848
Accounts receivable	448,199	2,274	445,943	175
Other accounts receivable (note 9)	-	4,319	-	4,319
Other assets (note 10)	13,774	10,439	13,837	10,502
Total current assets	**2,457,556**	**99,818**	**2,461,993**	**101,690**
Non-current				
Other assets (note 10)	19,842	15,288	19,842	15,288
Total assets	**2,477,398**	**115,106**	**2,481,835**	**116,978**
Current liabilities				
Trade payables	475,684	258,321	475,701	258,373
Loans and financing	30,843,677	28,313,792	30,843,677	28,313,792
Financial charges payable	6,536,828	4,767,459	6,536,828	4,767,459
Other liabilities (note 21)	198,614	98,901	156,802	76,640
Total current liabilities	**38,054,803**	**33,438,473**	**38,013,008**	**33,416,264**
Non-current				
Other liabilities (note 21)	154,240	130,967	154,240	130,967
Total liabilities	**38,209,043**	**33,569,440**	**38,167,248**	**33,547,231**

(In thousands of reais - BRL, unless otherwise stated)

31.3 Financial risk factors

The Company's regular activities expose it to several financial risks: credit risk, market risk (including price risk, interest rate risk and exchange rate risk) and liquidity risk, as follows:

(a) Credit risk

The Company's sales policy is subject to the credit rules established by its Management, aiming to mitigate risks of non-receipt of outstanding sales and sales to be made. The Company uses a robust credit analysis methodology for its counterparties (customers), which combines external and internal tools for the risk classification. The tools use quantitative information (such as the counterparty financial information), as well as qualitative information (counterparty strategic position and the commercial relationship history). Based on the credit risk attributed to the counterparty, the Company uses different risk mitigation strategies, such as prepayment, letters of credit, corporate guarantees, among others.

Considering the partial resumption of operations in December 2021, gross sales revenue was BRL 9,028,950 in 2021 (BRL 123,916 in 2020), while the expected credit loss in 2021 was BRL 24,897 (BRL 22,602). in 2020), in Consolidated.

The credit risk exposure of the receivables is distributed according to the table below:

	Parent Company and Consolidated	
	2021	2020
Middle East / Africa	26.66%	8.8%
Asia	34.98%	91.2%
Europe	26.21%	-
Americas	12.15%	-

(i) Interest rate risk

This risk arises from the possibility that the Company and its subsidiaries may suffer unexpected impacts due to the fluctuation in interest rates on financial assets and liabilities, as well as inflation. Most of the Company's loans and financing as of December 31st, 2021 are stated in US dollars. Of the total loans and financing, BRL 12,394 million are related to fixed rates and BRL 18,450 million to floating rates, which correspond mainly to the variation in LIBOR plus contractual spread. The Company does not have protection for the variation in LIBOR, according to its internal guidelines and those of its shareholders. The interest rate risk also arises from a small portion of the debt referenced to the IGP-DI.

(In thousands of reais - BRL, unless otherwise stated)

(ii) Exchange rate risk

It arises from the possibility of fluctuations in the exchange rates of foreign currencies (currencies other than the functional currency) used by the Company for the acquisition of national inputs and/or services, payment of taxes, dividends and others. The Company has the following assets and liabilities, in Reais, which can influence the Company's income, by changing the exchange rate:

([1]) Asset exposure

	Consolidated	
Current assets	**2021**	**2020**
Cash and cash equivalents	7,794	43
Restricted short-term investments	1,438	1,355
Accounts receivable in the country	956	203
Recoverable taxes	260,132	39,877
Prepaid expenses	4,771	4,497
Other accounts receivable	-	4,319
Other assets	13,837	10,502
Non-current		
Court deposits	2,015,142	1,946,192
Recoverable taxes	75,575	76,743
Other assets	19,842	15,288
	2,399,487	**2,099,019**

(In thousands of reais - BRL, unless otherwise stated)

([2]) Liability exposure

	Consolidated	
Current liabilities	**2021**	**2020**
Trade payables	(468,446)	(245,206)
Loans, financing and charges	(9,853,937)	(8,798,645)
Payroll, provisions and social contributions	(90,610)	(29,476)
Taxes payable	(753,761)	(532,347)
Provision for income tax	(46)	(9)
Other provisions	(21,214,115)	(5,205,843)
Other Liabilities	(196,465)	(74,555)
Non-current		
Taxes payable	(142,534)	(112,142)
Provisions for contingencies	(50,460)	(132,726)
Deferred income tax	(5,815,302)	(5,340,420)
Dividend	(2,805,548)	(2,805,548)
Other provisions	(16,231,597)	(16,478,175)
Other liabilities in the country of related parties	(14,456,634)	(10,156,499)
Other liabilities	(150,928)	(126,960)
	(72,230,383)	**(50,038,551)**

([3]) Exposure not recorded in the balance sheet:

	2021	2020
Tax claims		
Remote loss expectation	(2,418,485)	(2,400,150)
Possible loss expectation	(12,930,929)	(12,894,184)
Labor claims		
Remote loss expectation	(236,515)	(61,114)
Possible loss expectation	(577,530)	(653,074)

	2021	2020
Civil claims		
Remote loss expectation	(182,742)	(156,079)
Possible loss expectation	(6,133,036)	(1,772,294)
Environmental claims		
Remote loss expectation	(74,300)	(363)
Possible loss expectation	(1,569,928)	(1,739,572)

(In thousands of reais - BRL, unless otherwise stated)

Exchange rate exposure summary	**2021**	**2020**
Exposure recorded in the balance sheet ([1] + [2])	(69,830,896)	(47,939,532)
Exposure not recorded in the balance sheet ([3])	(24,123,465)	(19,676,830)
Total net exposure	**(93,954,361)**	**(67,616,362)**

The Company does not carry out financial operations to protect its assets and liabilities in Reais, according to its internal guidelines. Foreign currency assets and liabilities were translated into the functional currency at the exchange rate on the date of the financial statements preparation, USD 1,00 equivalent to BRL 5,5799 as of December 31st, 2021 and USD 1,00 equivalent to BRL 5,1961 as of December 31st, 2020.

(iii) Credit quality of financial assets

Cash and cash equivalents

	Parent company		**Consolidated**	
	2021	**2020**	**2021**	**2020**
Current account and short-term bank deposits				
Investment Grade	1,994,145	79,938	2,000,775	83,846
	1,994,144	**79,938**	**2,000,775**	**83,846**

Current accounts and financial investments in banks were included in this category.

(In thousands of reais - BRL, unless otherwise stated)

Trade accounts receivable

	Parent company		Consolidated	
	2021	**2020**	**2021**	**2020**
Counterparties with External Credit Rating (S&P)				
Investment Grade	375,936	6	375,957	6
Counterparties without External Credit Rating (S&P)				
Group 1 - customers with up to 5 years of relationship	47	-	47	-
Group 2 - customers over 5 years of relationship with low default history	142,702	15,848	142,697	15,865
Group 3 - customers in the country who are not in iron ore area	7,793	6,906	7,793	6,906
	526,478	**22,760**	**526,494**	**22,777**

(b) Liquidity risk

Liquidity risk is the likelihood that the Company will not have sufficient resources to meet its obligations within the due periods.

The Company's management has faced challenges in its liquidity risk management, as a result of the suspension of its productive operations after the Collapse of the Fundão tailings dam, such as, for example, the non-fulfillment of certain obligations present in its loan agreements and financing. The Company's liquidity in 2020 was supported by funds from its Shareholders, through the issuance of non-convertible private debentures, as detailed in explanatory note 15. With the gradual resumption of its operational activities at the end of 2020, the cash flow started to present the inflows of funds again.

(In thousands of reais - BRL, unless otherwise stated)

The book values of cash flows from financial liabilities (excluding loans and accounts payable to shareholders) are:

	Consolidated		
	2021		
	Value	Up to 12 months	1 - 10 years
Trade payables	475,701	475,701	-
Loans and financing	21,300,969	21,300,969	-
Financial charges payable	6,366,734	6,366,734	-

The value of undiscounted cash flows contracted is shown as follows:

Financial liabilities	Consolidated			
	Book Value	Contractual cash flow	2022	
			0 - 6 months	6- 12 months
Trade payables	475,701	475,701	474,906	795
Loans and financing	21,300,969	21,300,969	21,300,969	-
Financial Charges	6,366,734	6,366,734	6,366,734	-
Total	**28,143,404**	**28,143,404**	**28,142,609**	**795**

As explained in explanatory note 3(d), besides these financial obligations in the table, there are obligations established under the terms of the TTAC, which affect the Company's liquidity. It is noteworthy that, to the extent that Samarco does not have the resources to comply with such financial obligations, each of its shareholders, Vale and BHP Billiton Brasil will do so, according to their 50% interest each in Samarco's share capital.

(In thousands of reais - BRL, unless otherwise stated)

(c) Sensitivity analysis

The Company is exposed to financial risks linked to liabilities that are indexed mainly to Libor, in the case of long-term external financing and the IGP-DI for operations in the country.

To identify the index sensitivity, in long-term debt, to which the Company was exposed as of December 31st, 2021, three different scenarios were defined, to cover the period of the following 12 months. Based on the accumulated IGP-DI index and the Libor rate valid for 6 months, in effect as of December 31st, 2021, the Company defined a probable scenario and two additional scenarios, starting from the first - scenarios II and III, with an increase of 25% and 50%, respectively.

	Risk	Likely scenario I	Scenario II	Scenario III
Loans and financing abroad	Libor	0.3387%	0.4234%	0.5081%
Interest as of December 31st, 2021		38,178	47,722	57,267
Loans and financing in the country	IGP-DI	17.743%	22.179%	26.615%
Interest as of December 31st, 2021		626	782	939

The simulation considers the balances of the respective debts (in dollars and in local currency) as of December 31st, 2021 with repayment only at the end of the period.

To identify the sensitivity of variations arising from foreign currency to which the Company was exposed as of December 31st, 2021, three different scenarios were defined for the asset and liability accounts, with scenarios II and III contemplating a reduction in the exchange rate of 25% and 50%, respectively, from the first, called probable scenario I.

Financial liabilities	Exposure (BRL)	Likely scenario I (USD)	Scenario II (USD)	Scenario III (USD)
Exchange rate - (Risk - BRL/USD)	-	5,5799	4,1849	2,7900
Total assets	2,399,487	430,023	573,364	860,046
Total liabilities	(72,230,383)	(12,944,745)	(17,259,660)	(25,889,490)
Net exposure in Reais recorded in the balance sheet	**(69,830,896)**	**(12,514,722)**	**(16,686,296)**	**(25,029,444)**

(In thousands of reais - BRL, unless otherwise stated)

31.4 Bank guarantees

As shown in the table below, the Company has bank guarantees issued by financial institutions for an indefinite period, mostly to guarantee the suspension of the enforceability of tax foreclosure proceedings in the total amount, updated as of December 31st, 2021, of BRL 1,122,027 (December 31st, 2020 BRL 1,095,795). The total amount originally contracted is BRL 1,080.468.

The balances of the guarantees were updated according to the balances of the CDAs during the year 2021.

Bank	Contracted amount	Updated amount	Index	Deadline
Bradesco	607,850	530,981	Selic	Indefinite
Bradesco	27,956	25,101	VRTE	Indefinite
Votorantim	100,948	177,093	Selic	Indefinite
Itaú	276,052	388,852	Selic	Indefinite
Itaú	67,662	-	IPCA-E	Indefinite
Total	**1,080,468**	**1,122,027**		

31.5 Capital management

The Company's purposes when managing its capital are to safeguard liquidity, managing the cost of capital to minimize it, and, at the same time, to offer a sustainable and adequate return to shareholders and benefits to other stakeholders.

To maintain or adjust the Company's capital structure, the management usually monitors its level of indebtedness, in line with its dividend policy, which, in turn, follows the shareholders' guidelines.

Under normal operating conditions, the Company monitors and manages the levels of financial leverage according to the market standards, its strategy and compliance with financial ratios provided for in loan and financing contracts in the form of financial covenants (Net Debt/EBITDA). Net Debt/EBITDA is an index that corresponds to net debt compared to the Company's cash generation, as measured by EBITDA. Net debt, in turn, corresponds to total loans and financing (including short and long-term loans, as shown in the consolidated balance sheet), less the amount of cash and cash equivalents.

In December 2020, Samarco, after having only a few days of revenue after its operational resumption, was unable to meet the Net Debt/ EBITDA limit of 4:1 in its financial contracts.

(In thousands of reais - BRL, unless otherwise stated)

Additionally, we show the calculation of the financial leverage ratio considering net debt as a percentage of total capital. The total capital is calculated by adding the shareholders' equity to the net debt as follows:

	2021	2020
Total loans and financing	37,380,505	33,081,251
(-) Cash and cash equivalents and short-term investments	(2,002,213)	(86,694)
Net debt	**35,378,292**	**32,994,557**
Total equity	(64,485,811)	(51,021,040)
Total capital	**(29,107,519)**	**(18,026,483)**
Financial leverage ratio	**(122%)**	**(183%)**

Under normal conditions, the analysis of these indicators supports the working capital management process, to maintain the Company's leverage at levels equal to or lower than the leverage ratio that Management considers appropriate.

31.6 Fair value hierarchy

The Company considers "fair value" to be the price that would be obtained on the sale of an asset or paid to transfer a liability in a transaction between market participants on the measurement date (exit price). The Company uses market data or assumptions that market participants would use to price the asset or liability, including assumptions about risks and the risks inherent in the inputs used in the valuation technique. The Company mainly applies the market approach to use the measurement of fair value and it strives to use the best information available. Consequently, the Company uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The Company is able to classify fair value balances based on observable inputs. The fair value hierarchy is used to prioritize the inputs used to measure fair value. The three levels of the fair value hierarchy are as follows:

- Level 1. Active market: quoted price - A financial instrument is considered to be quoted in an active market if quoted prices are readily and regularly available for exchange or organized by over-the-counter operators, brokers, or market associations by entities that aim to have prices disclosed by regulatory agencies, and if those prices represent market transactions that occur regularly between independent parties, without favor.

- Level 2. No active market: Valuation Technique - For an instrument without an active market, fair value is valued using a valuation/pricing methodology. Other criteria can be used, such as the fair value data of another current instrument that is substantially the same, a deducted cash flow analysis and option pricing models. The valuation technique aims to determine what the transaction price would be on the measurement date in an exchange free from other interests and motivated by commercial considerations.

- Level 3. No active market: equity instruments - Fair value of investments in shares/ shareholding interest or equity that do not have market prices quoted in an active market and derivatives that are linked to them and that must be settled through the delivery of shares/ shareholding interest not negotiated.

(In thousands of reais - BRL, unless otherwise stated)

	Balance as of 2021	Fair value hierarchy		
		Level 1	Level 2	Level 3
Loans and financing	37,380,505	16,432,252*	20,948,253	-

(*) Amount referring only to Bonds, other loans and financing were classified as level 2.

The fair value of financial liabilities related to loans and financing, whose carrying amounts are measured at amortized cost, is calculated as follows:

	2021		2020	
	Book value	Estimated fair value	Book value	Estimated fair value
Bonds (i)	16,410,787	9,883,823	14,384,812	10,071,290
EPPs (export pre payments) (ii)	10,490,732	7,049,605	9,419,123	7,953,814
Others	10,478,986	8,797,565	9,277,316	8,720,218
	37,380,505	**25,730,993**	**33,081,251**	**26,745,322**

(i) The fair value of bond operations is obtained by quoting the security on the secondary market (using the closing value, as reported by Bloomberg);

(ii) For EPP (Export Pre-Payment) loan operations, debentures and other operations of little representative value, which do not have disclosure in a secondary debt market, or for which the said market does not have sufficient liquidity, the calculation of fair value was also made based on the quotation of bonds in the secondary market.

Management understands that other financial instruments, such as accounts receivable, cash and cash equivalents, short-term investments and, suppliers, which are recognized in the financial statements at their book values; do not present significant variations regarding the respective fair values.

32. INSURANCE COVERAGE

To mitigate the risks and considering the kind of its operations, the Company maintains several types of insurance policies under contract. The policies are in line with the risk management policy, the guidelines of its management committees and they are similar to the policies contracted by other companies in the same business line as Samarco. These policies coverage includes: insurance of operational assets, life and personal accident insurance, vehicle fleet insurance, civil liability insurance, miscellaneous risks, guarantees and others.

The Company's civil liability and operations policy was duly renewed and expires on May 9th, 2022, and negotiations for the renewal of the policy are in progress. Coverages for dams, dikes, tailings disposal and the like are excluded from the policy in force.

In addition, Samarco maintains a civil liability insurance policy with coverage for directors and officers, effective until April 2022 and has a maximum coverage limit of R$45,000. This insurance covers members of the board of directors, executive officers, audit committee and any other body mentioned in the bylaws, as well as certain employees at management levels, both in the Company and in its parent companies (collectively called "Insured Parties"). The policy covers financial losses resulting from claims against the insured party for acts and omissions in the exercise of its contracting functions. It also covers agreements previously authorized by the insurer with the purpose of terminating legal or administrative proceedings and coverage for payment of the insured party's defense costs, if and when incurred.

Samarco's operational risk insurance was contracted on December 29th, 2021, with term a December 29th, 2022. The instrument aims to protect the assets belonging to the Company, material damage from external and internal causes and economic losses resulting from these occurrences. Direct and consequential damages from any events related to the dam and the like are excluded from the policy in force.

The cash collateral insurance has been in force since 2017, with the purpose of complying with the terms of the TAC - Term of Conduct Adjustment with the Public Prosecution Office in its 12th Federal Court of Belo Horizonte/MG, as described in explanatory note 3(k).

33. SUBSEQUENT EVENTS

a) Term of Commitment to decharacterize the Germano Dam and Germano Pit

On February 25, 2022, Samarco signed a Term of Commitment with the State of Minas Gerais, through the State Secretariat for the Environment and Sustainable Development - SEMAD and the State Foundation for the Environment (Feam), the Public Prosecution Office of Minas Gerais (MPMG) and the Federal Public Prosecution Office (MPF), and intervention of the National Mining Agency (ANM), to de-characterize the Germano Dam and the Germano Pit, in Mariana.

The Term of Commitment was signed due to the technical impossibility of meeting the deadline of 03 years provided for in State Law No. 23.291/2019, as attested by the four technical opinions and the projects and schedules previously submitted by Samarco to the competent bodies. The purpose of the agreement is to ensure that the de-characterization of the company's structures is completed within an adequate period and that the activities continue to be monitored by an independent external technical team until they are concluded. The agreement also provides for the funding of projects aimed at environmental preservation and the improvement of public actions related to the safety of mine tailings dams, in the amount of R$ 116,280 to be disbursed in 8 annual installments, updated by the IPCA.

The decharacterization works, started even before the 2019 law, continue at an advanced pace and are, from the beginning, monitored through a specialized independent audit, in compliance with current state and federal regulations.

b) Addendum to Samarco's Corrective Operating License

On 25 March 2022 approval was received for an extension (35 ha) of the Corrective Operating License – LOC by the Chamber of Mining Activities (CMI) of the State Council of Environmental Policy (COPAM), which allows expanding the mining activities in the Mines of Alegria Norte and Alegria Sul, in Germano.

This license obtained by the Company is essential to the continuity of its mining operations.

The work to proceed with the mining in the authorized areas is in compliance with the regulations established by the environmental agencies.

BOARD OF DIRECTORS

Effective members

Carla Wilson
Cláudio Renato Chaves Bastos
Nelly Angelica Pazó León
Vagner Silva de Loyola Reis

Alternates

Ivan Apsan Frediani
Kesley Medeiros Julianelli
Simon John Duncombe

EXECUTIVE BOARD

Rodrigo Alvarenga Vilela
CEO

Gustavo de Abreu Souza Selayzim
Chief Financial Officer

Luiz Fabiano Silveira Saragiotto
Restructuring Officer

Reuber Luiz Neves Koury
Project and Sustainability Officer

Sergio Gonçalves Mileipe
Director of Planning and Operations

TECHNICAL MANAGER

Lucas Brandão Filho
Accountant - CRC-MG 046442/O – TES

SAMARCO