

Samarco is concluding urban works of Barra Longa

Other programs and actions of reparation continue in progress

The urban area most affected by the collapse of the Fundão dam, that of Barra Longa (MG), municipal region of the Zona da Mata, about 60 kilometers from Mariana, already has about 90 % of the works of reparation and reconstruction of the city delivered by Samarco.

131 structures have already been concluded, among them residences and commercial establishments, totally recovered, in a process which involved considerable dialogue and participation of the local community. The works of infrastructure encompassed the reconstruction and reparation of structures such as streets, bridges, schools, water supply and sewage networks, and electrical distribution lines. 4,000 m² of asphalt (paving) was re-done on the Edmundo Costa Lana Highway and on stretches of MG- 326, and approximately 14,000 m² of sidewalks within the municipal area.

Since the development of the architectural design of the re-construction, including the other steps of execution of the works, Samarco always relied on the active participation of the local community. The company understands that there is still much to be done and other actions will still be carried out as well as the implementation of new socioeconomic and socioenvironmental programs in the region, which will be the responsibility of Fundação Renova.

Renova is an autonomous and independent foundation, which will conduct the socioeconomic and socioenvironmental programs forecast in the Framework Agreement (TTAC) signed by Samarco, their shareholders and the Federal government and those of Minas Gerais and Espírito Santo.

Reactivation of the local economy and work force

The works, principally in the urban area of Barra Longa, involved local professionals, residents of the city and of the surrounding regions, such as the district of Gesteira and the municipality of Acaiaca. For the purchase of materials, Samarco sought, whenever possible, to give priority to local commerce. With the execution of the works, some R\$ 5 million were generated in municipal taxes.

To reduce the unavoidable impacts of the works, Samarco adopted a series of initiatives. Among them, the constant wetting of the main streets of the city to diminish the dust problem.

During the whole process of reconstruction, Samarco sought to give full support to the local community until the city was totally recovered. The company fulfilled its signed commitment, distributing 270 pre-paid debit cards to the residents of Barra Longa which met the established criteria. The cards represent the value of a minimum salary, plus an additional 20 % of the minimum salary for each one of the dependents of the resident, in addition to the value of a staple food basket.

For 2017, other programs are forecast in Barra Longa, also conducted by the Fundação Renova. In the urban area, the beginning of the reconstruction works is foreseen for the fair grounds. Residents of the city were also heard in the development of that project so that they could express their expectations as to the structure and uses of the spaces of the grounds. The principal ideas brought up pointed out the importance of the locale as a space for training events, competitions, tournaments and shows.

Praça Manoel Lino Mol

The main socialization point of the community, the square known as Praça Manoel Lino Mol, in Barra Longa, will be delivered at the end of October. Samarco performed the clean up and the removal of the tailings, concluded the rainwater drainage system, renovation of the sidewalks around the square, repaired the power network, carried out revegetation, all in accordance with the architectural design approved by the local community. The Company sought to preserve to the extent possible the identity of the old square, something the community wanted.

As for the Avenida Beira Rio, another public space important for the city, the Company redid all of the pavement, installed new lighting, replanted the surrounding areas, and set up a playground and an outdoor gym, in addition to a walking path.

Environmental recovery

In parallel with the works in downtown Barra Longa, Samarco has implemented several environmental actions. It has removed 157 thousand m³ of tailings from the municipality, recovered 20 tributaries, planted grass and leguminous species to control erosion on the banks of the tributaries. The next phase will focus on the definitive revegetation.

The Fundão dam break also caused impacts on the local farmers. To make up for this, Samarco has started implementing environmental actions, and Fundação Renova will continue with the programs to assure the recovery of the region's biodiversity.

In the area of Morro Vermelho, a gabion wall (wire box containing rocks) 278 long and 4 m high was installed to contain the erosion process on the Carmo river.

Reconstruction in numbers – Barra Longa

- Amount invested in infrastructure works and removal of sediments – R\$ 145 million
 - Amount invested in the renovation of homes and shops – R\$ 20 million
 - 630 people working in this front, at peak moment with 690 outsourced personnel.
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- Units renovated – 131
 - Residential : 98
 - Commercial : 33
 - Renovation of corrals and cattle guards: 21 (12 corrals, and 9 cattle guards)
 - Recovered pavement – 4000 m2 of recovered asphalt pavement and some 14000 m2 of paving
 - Volume of tailings removed from urban area – 157 thousand cubic meters
 - Reclaimed tributaries – 20 tributaries in Phase 1*

*Phase 1: means that the areas were revegetated with a mix of grass and leguminous species to control erosion. They will undergo another planting phase.

- - ISS (service tax) revenue generated for the Barra Longa municipality up to September 2016: R\$ 5 million.

About Samarco

Samarco has been in operation for 39 years. It has two operational units – Germano, in Mariana, Minas Gerais, where it mines the iron ore and beneficiates it using three concentrators, and Ubu, in Anchieta, Espírito Santo, where it has four pellet plants and its own port facility. These two units are linked by 3 pipelines of 400 km each, which cross 29 municipalities.

In 2015, the year of the Fundão dam break, Samarco produced 24.9 million tons, of which 97% were pellets and 3% were pellet feed. In that year, the Company was the 12th



largest exporter of Brazil and generated 3027 direct jobs, of which 1736 in Minas Gerais and 1291 in Espírito Santo.

Press Relations - Samarco: (31) 3269-8844/3269-8838 -
imprensa@samarco.com

Ana Heineck - (31) 98313 -2201

Leandra Valadares - (31) 98281 - 3034

Marccone Andrade - (31) 98481 - 3401

Visite nossa Sala de Imprensa – www.samarco.com/imprensa.