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USINAS SIDERÚRGICAS DE MINAS GERAIS S.A. - USIMINAS

Publicly-Held Company

CNPJ/MF 60.894.730/0001-05

NIRE 313.000.1360-0

NOTICE TO THE MARKET

Usinas Siderúrgicas de Minas Gerais S.A. – USIMINAS (“Usiminas” or “Company”), informs, in addition to the Material Facts dated of 08.10.2018 and 08.13.2018 and the Notice to the Market dated of 08.15.2018, that, on the date hereof, was finalized by Usiminas' investigative commission, composed of Usiminas employees and DNV GL's specialized consultant, a preliminary report of investigation on the accident with gasholder of Ipatinga Plant occurred on 08.10.2018 (“Report”).

The Report concluded that the cause of the explosion was the undue entry of atmospheric air in the gasholder. Until this moment, with the advance of the process of investigation, it may be listed three fundamental points that together contributed to the collapse of the 150,000 m³ gasholder: (i) a fail in the logic of the automatic control of the valves of the recovery system of LDG gas of the Converter 4 of the Steel Furnace 2; (ii) although the existing actions of contingency have been executed in accordance with the existing operational procedure, the necessary time for the reestablishment allowed the passage/arrival of a high volume of air to the gasometer; and (iii) the cleaning equipment of the LDG (Electrostatic Precipitator), at the outcome of the gasometer, may have been the source of the combustion, for it operates with sparking. The points referred in items (i) and (ii) above are still being analyzed, viewing to identify their respective causes. Regarding the point referred to in item (iii), confirmation of the hypothesis is necessary.

The report referred to above is partial and the result of the search for new evidence and the deepening of its analysis may alter the course of the investigation.

The Company also emphasizes that, viewing the security safety of the people and of its processes, it implemented immediate measures of restraint in the points identified as vulnerable, such as (i) blockage of the process of recovery of LDG gas, ensuring to send 100% of the gas produced for burning (standard in some steel industries); (ii) total isolation of the gasholder of 150,000 m³, ensuring the sealing of the system; (iii) stoppage of the operation and isolation of the Electrostatic Precipitator of the LDG network; (iv) performance of analysis of integrity of the other equipment by internal professionals, specialists and representatives of the competent public bodies, to return the equipment to operation; and

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(v) to contract a specialized firm in Safety of Processes, to give support to the investigation committee of Usiminas with further analysis of the causes and establishment of forceful and comprehensive actions and control of risks.

The Company will keep its shareholders and the market in general duly informed on the subject matter of this Notice.

Belo Horizonte, August 17th, 2018.

Alberto Ono
Finance and Investors Relations Vice-President Officer