

(Free Translation: For reference only – Original in Portuguese)

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USINAS SIDERÚRGICAS DE MINAS GERAIS S.A. – USIMINAS

Publicly Traded Company

CNPJ/MF 60.894.730/0001-05

NIRE 313.000.1360-0

MATERIAL FACT

Usinas Siderúrgicas de Minas Gerais S.A. – USIMINAS (“Usiminas” or “Company”), in compliance with Article 157, fourth paragraph, of Law No. 6,404, of December 15, 1976, as amended, and CVM Instruction No. 358, of January 3, 2002, as amended, hereby informs its shareholders and the market the following.

On the date hereof, the Company, on one hand, and Banco do Brasil S.A., Banco Bradesco S.A. and Itaú Unibanco S.A., on the other hand (jointly, “Brazilian Banks”), entered into an instrument named “Binding Terms and Conditions for Amendments to Financial Transactions of Usinas Siderúrgicas de Minas Gerais S.A. – Usiminas” (“Term Sheet”), which formalized the understandings among the parties relating to the renegotiation of the Company’s debts with the Brazilian Banks, Banco Nacional de Desenvolvimento Econômico e Social – BNDES (“BNDES”), Japan Bank for International Corporation – JBIC, Nippon Usiminas Co., Ltd., Mizuho Bank Ltd. and other Japanese financial institutions (jointly, “Japanese Creditors”) and the holders of debentures issued by the Company (“Debenture Holders”) under the indenture for the sixth public issuance, with restricted placement efforts, of simple and secured debentures (“Debts Renegotiation”).

According to the Term Sheet and under the Debts Renegotiation, the Company will launch, on the date hereof, through its wholly-owned subsidiary Usiminas International S.à r.l., an issuance of notes (“Notes”), to be placed in the international market and offered to qualified institutional buyers in accordance with Rule 144A and to non-U.S. persons in accordance with Regulation S, in order to raise funds to effect the prepayments mentioned below (the “Issuance”).

The Issuance will be irrevocably and unconditionally guaranteed by the Company. The completion of the Issuance is subject to market conditions, and its main terms, such as size, interest and maturity, will be defined upon pricing.

With the proceeds of the Issuance, the Company intends to effect: (i) the prepayment in full of its debt with BNDES and the Japanese Creditors; and (ii) the partial prepayment of its debt with the Debenture Holders. Any remaining proceeds from the Issuance will be used for the partial prepayment of the Company’s debt with the Brazilian Banks and/or Debenture Holders.

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In addition, the Term Sheet provides for certain amendments to the terms and conditions of the Company's debt that will remain outstanding with the Brazilian Banks and Debenture Holders, including, among others, (i) release of collateral in the form of mortgage of real estate in Ipatinga, (ii) removal of the cash sweep payment obligation, and (iii) removal of the CAPEX expansion prohibition upon the compliance with a financial covenant. The Term Sheet establishes that such amendments will be executed among the Company and the Brazilian Banks and remaining Debenture Holders up to 30 days after the completion of the Issuance.

The steps described above relating to the Debts Renegotiation were approved by the Board of Directors of the Company in a meeting held on June 27, 2019, as well as agreed with the Brazilian Banks, Japanese Creditors, BNDES and Debenture Holders upon obtaining the necessary waivers.

The management of the Company considers the Debts Renegotiation an important milestone for the adjustment of its indebtedness profile from the perspective of the short, medium and long term, preserving its financial and operational capacity.

Usiminas will keep the market informed about the subject matter of this Material Fact.

This Material Fact does not constitute an offer to sell or a solicitation of an offer to buy securities, nor shall there be any purchase or sale of securities in any jurisdiction in which any offer, solicitation or sale would be unlawful prior to registration or qualification of such securities under the securities laws of any such jurisdiction. The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any other jurisdiction. Accordingly, the Notes may only be sold to qualified institutional buyers pursuant to Rule 144A under the Securities Act, to non-U.S. persons outside the United States in compliance with Regulation S under the Securities Act or pursuant to another applicable exemption from registration.

The Issuance has not been nor will be registered with the Brazilian Securities Commission. The Issuance will not be made in Brazil, except in circumstances that do not constitute a public offering according to Brazilian legal and regulatory provisions.

Belo Horizonte, July 1, 2019.

Alberto Ono

Finance and Investors Relations Vice-President Officer