CSN Mineração S.A.

Financial Statements

December 31, 2020

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

Independent Auditor's Report on the Financial Statements

To the
Shareholders, Directors and Management of
CSN Mineração S.A.
São Paulo – SP

Opinion

We have audited the accompanying individual and consolidated financial statements of CSN Mineração S.A. ("Company"), identified as parent and consolidated, respectively, which comprises the balance sheet as of December 31, 2020, and the related statement of profit and loss, comprehensive income (loss), changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the individual and consolidated financial statements present fairly, in all material respects, the individual and consolidated financial position of CSN Mineração S.A. as of December 31, 2020, and its individual and consolidated financial performance and individual and consolidated cash flows for the year then ended, in accordance with the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the individual and consolidated financial statements" section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical requirements set forth in the Code of Ethics for Professional Accountants and the professional standards issued by the Federal Accounting Council and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of matters

Related parties transactions

We draw attention to Note 12 to the individual and consolidated financial statements, the Company maintains relevant transactions with related parties. Our opinion is not qualified regarding this matter.

Key audit matters

Key audit matters (KAM) are those matters that, in our judgment, were of most significance in our audit of the financial statements for the current period. These matters were addressed in the context of our audit of the individual and consolidated financial statements taken as a whole and in forming our opinion on such individual and consolidated financial statements, and, therefore, we do not provide a separate opinion on these matters. We determined that the matters described below are the key audit matters that should be communicated in our report.

1. Provision for risks relating to lawsuits (Note 21)

Why the matter was determined to be a KAM

The Company is a defendant in tax, civil and labor lawsuits arising in the normal course of its activities. This area requires Management to make judgments and critical evaluations, supported by the opinion of the Company's legal counsel, in determining the estimates related to the recognition of assets and liabilities, measuring the involved amounts, assessing the likelihood of loss on lawsuits and appropriately disclosing the existing proceedings and pending litigation, considering their materiality in relation to the financial statements as a whole.

The total provision amount recorded in the financial statements amounts was R$63 million, parent and consolidated as of December 31, 2020. The amount of possible lawsuits losses, therefore, not required to record a provision in accordance with accounting practices adopted in Brazil, was R$ 8,068 million as of December 31, 2020.

Additionally, certain laws and regulations in Brazil are highly complex and, therefore, the measurement, recognition of assets and liabilities and disclosure of the provision for risks related to lawsuits and administrative proceedings, processes and/or, in certain cases, compliance with laws and regulations, requires a certain level of judgment by the Company and its subsidiaries to record estimates of losses and make disclosures in their individual and consolidated financial statements.

Due to the relevance, complexity and judgment involved in the evaluation, measurement and definition of the timing to recognize and disclose lawsuits and litigation at the various levels of discussion, as well as any impacts that such processes and estimates may cause on the individual and consolidated financial statements taken as a whole (including when lawsuits are assessed as possible and probable loss, since a change in the likelihood of loss or in the assessment criteria may have impacts on the financial statements in terms of provision and/or recognition of assets). Therefore, we continue to consider this matter as critical for our audit of the current audit.

How the matter was addressed in the audit of the individual and consolidated financial statements

Our audit procedures included, among others:

• Evaluate the design of the structure of the internal control related to the identification, evaluation, measurement and disclosure of the provisions for risks relating to judicial and administrative lawsuits, including those related to compliance with laws and regulations;

• Evaluate, on a testing basis, the sufficiency of the provisions recognized and the amounts of contingencies disclosed by evaluating the criteria and assumptions used in their measurement methodology, considering data and historical information and, also, the assessment of the Company's internal and external legal counsel, obtained by means of confirmation.

• For tax claims, our approach included the involvement of our tax specialists to evaluate the merit and information regarding the gain possibility provided by the legal advisors (in the extension we understand was necessary), and also the documentation and information related to the main tax and labor matters involving the Company;

• Discuss with the Company´s internal and external legal advisors;

• Evaluate the disclosures made in the individual and consolidated financial statements to determine that they are in accordance with the rules applicable and provide information on the nature, exposure and amounts accrued or disclosed relating to the main tax, labor and civil matters in which the Company is involved.

Based on our audit approach and procedures performed and evidence obtained, we understand that the criteria and assumptions adopted by the Company to record and disclose the estimates and risks related to pending lawsuits at different court levels are appropriate in the context of the individual and consolidated financial statements taken as a whole.

Other matters

Statements of value added

The individual and consolidated statements of value added ("DVA") for the year ended December 31, 2020, prepared under the responsibility of the Company's management, the presentation of which is required by Brazilian Corporate Law for public companies and considered supplemental information by IFRS, have been submitted to auditing procedures performed in conjunction with our audit of the Company's financial statements. In forming our opinion, we evaluated if these statements are reconciled to the financial statements and accounting records, as applicable, and if its form and content are in accordance with the criteria defined in NBCTG 09 – Statement of Value Added. In our opinion, these statements of value added were appropriately prepared, in all material respects, according to the criteria defined in the technical pronouncement and are consistent in relation to the individual and consolidated financial statements taken as a whole.

Other information accompanying the individual and consolidated financial statements and auditor's report thereon

The Company's management is responsible for this other information that is included in the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If we conclude, based on the work we have performed that there is a material misstatement in Management Report, we are required to report this fact. We have nothing to report in this regard.

Responsibility of management and those charged with governance for the individual and consolidated financial statements

The Company's management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), 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 individual and consolidated 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 in preparing the financial statements, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative to avoid doing so.

Those charged with the Company's and its subsidiaries' governance are those responsible for overseeing the financial reporting process in preparing the individual and consolidated financial statements.

Auditor's responsibility for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements, taken as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. In addition, we:

- Identified and assessed the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve override of internal control, collusion, forgery, intentional omissions or misrepresentations;
- Obtained an understood of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal controls;
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Concluded on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtained sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit and, consequently, for the audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we may have identified during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements, including those regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements for the current year and are, therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, February 22, 2021

Nelson Fernandes Barreto Filho
CT CRC 1SP-151.079/O-0

Grant Thornton Auditores Independentes
CRC 2SP-025.583/O-1

CSN MINERAÇÃO S.A

BALANCE SHEETS AS OF DECEMBER 31, 2020 AND 2019
(Amounts expressed in thousands of Brazilian Reais - R$)

		Consolidated		Parent Company	
ASSETS	**Notes**	**12/31/2020**	**12/31/2019**	**12/31/2020**	**12/31/2019**
CURRENT ASSETS					
Cash and cash equivalents	3	2,972,521	428,077	2,951,043	348,268
Financial investments	4	1,425	36,132	1,425	36,132
Trade receivables	5	2,825,734	1,434,073	2,825,734	1,431,597
Inventories	6	512,440	468,433	512,440	468,433
Recoverable taxes	7	66,120	53,969	62,851	53,246
Other assets	8	218,835	225,655	218,883	226,112
		6,597,075	**2,646,339**	**6,572,376**	**2,563,788**
NONCURRENT ASSETS					
Recoverable taxes	7	77,429	74,195	77,429	74,195
Inventories	6	347,304	144,499	347,304	144,499
Other assets	8	286,498	385,929	286,048	385,502
Investments	9	1,225,372	1,197,938	1,241,549	1,271,486
Property, plant and equipment	10	6,852,757	7,186,659	6,852,682	7,186,539
Intangible assets	11	4,235,971	4,242,388	4,235,971	4,242,388
		13,025,331	**13,231,608**	**13,040,983**	**13,304,609**
TOTAL ASSETS		**19,622,406**	**15,877,947**	**19,613,359**	**15,868,397**

		Consolidated		Parent Company	
LIABILITIES AND EQUITY	**Notes**	**12/31/2020**	**12/31/2019**	**12/31/2020**	**12/31/2019**
CURRENT LIABILITIES					
Borrowings and financing	13	45,014	43,347	45,014	43,347
Trade payables	14	1,393,323	825,571	1,394,689	826,374
Payroll and related taxes	-	65,950	66,893	65,561	66,526
Taxes payable	16	1,710,484	404,094	1,704,940	399,763
Provision for tax social security, labor, civil and environmental risks	21	7,878	4,080	7,878	4,080
Advances from customers	17	884,472	699,494	884,472	697,017
Dividends and interest on equity	12.b	344,200	-	344,200	-
Other payables	18	146,802	133,117	142,322	129,939
		4,598,123	**2,176,596**	**4,589,076**	**2,167,046**
NONCURRENT LIABILITIES					
Borrowings and financing	13	1,280,000	1,436,636	1,280,000	1,436,636
Trade payables	14	166,774	-	166,774	-
Provision for tax social security, labor, civil and environmental risks	21	54,739	62,678	54,739	62,678
Deferred taxes	19.b	436,463	433,485	436,463	433,485
Advances from customers	17	1,722,281	1,840,929	1,722,281	1,840,929
Environmental Liabilities and A.R.O	22	444,522	330,560	444,522	330,560
Other payables	18	317,807	239,526	317,807	239,526
		4,422,586	**4,343,814**	**4,422,586**	**4,343,814**
SHAREHOLDERS' EQUITY					
Paid-up capital	23.a	6,103,872	6,103,872	6,103,872	6,103,872
Capital reserves	23.c	141,723	141,723	141,723	141,723
Comprehensive income	23.h	326,458	328,067	326,458	328,067
Earnings reserves	23.g	4,029,644	2,783,875	4,029,644	2,783,875
		10,601,697	**9,357,537**	**10,601,697**	**9,357,537**
TOTAL LIABILITIES AND EQUITY		**19,622,406**	**15,877,947**	**19,613,359**	**15,868,397**

CSN MINERAÇÃO S.A

STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Amounts expressed in thousands of Brazilian Reais - R$, except (loss) earnings per thousand shares)

	Notes	Consolidated		Parent Company	
		12/31/2020	12/31/2019	12/31/2020	12/31/2019
Net operating revenue	24	13,789,531	11,455,946	13,790,467	11,455,946
Cost of sales	25	(5,480,608)	(4,364,471)	(5,510,736)	(4,405,118)
Gross profit		8,308,923	7,091,475	8,279,731	7,050,828
Operating income (expenses)					
Selling expenses	25	(1,219,967)	(1,506,414)	(1,221,089)	(1,505,508)
General and administrative expenses	25	(159,296)	(153,243)	(158,173)	(149,691)
Other operating (expenses)/income	26	(675,806)	(183,702)	(675,196)	(182,565)
Other operating income		32,886	50,098	32,886	50,060
Other operating expenses		(708,692)	(233,800)	(708,082)	(232,625)
Equity in results of investee		48,534	55,202	88,720	80,677
Operating income		**6,302,388**	**5,303,318**	**6,313,993**	**5,293,741**
Financial income (expenses), net	27	(512,391)	(108,113)	(535,057)	(113,623)
Financial income		28,220	30,807	27,819	28,866
Financial expenses		(404,181)	(176,327)	(404,161)	(176,306)
Foreign exchange gains (losses), net		(136,430)	37,407	(158,715)	33,817
Income before taxes		**5,789,997**	**5,195,205**	**5,778,936**	**5,180,118**
Current income tax and social contribution	19.a	(1,755,312)	(1,485,652)	(1,744,251)	(1,470,565)
Deferred income tax and social contribution	19.a	(3,975)	(45,290)	(3,975)	(45,290)
		(1,759,287)	(1,530,942)	(1,748,226)	(1,515,855)
Net income for the period		**4,030,710**	**3,664,263**	**4,030,710**	**3,664,263**
Basic and diluted earnings per share	23.g			22.2689	20.2443

The accompanying notes are an integral part of these financial statements.

CSN MINERAÇÃO S.A

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Amounts expressed in thousands of Brazilian Reais - R$)

	Consolidated and Parent Company	
	12/31/2020	**12/31/2019**
Net income for the period	4,030,710	3,664,263
Losses from cash flow hegde accounting, net of taxes	(187,423)	
Cash flow hedge reclassified to income upon realization	186,878	
Equity on other comprehensive income of investee	(1,064)	(1,558)
Comprehensive income for the period	**4,029,101**	**3,662,705**

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY - Consolidated and Parent Company

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(Amounts expressed in thousands of Brazilian Reais - R$)

		Capital reserves	Earnings reserves				Other	Equity		
	Paid-up capital	Premium on issuance of shares	Legal reserve	Investment reserve	Unrealized earnings reserve	Proposed dividends	Comprehensive income	measurement adjustments	Retained earnings	Total
Balance at December 31, 2018	**6,103,872**	**141,723**	**236,886**	**2,258,544**	**507,302**	**756,558**	**6,990**	**322,635**	**-**	**10,334,510**
Dividends distributed (Note 23.f)	-	-	-	(2,253,326)	(270,689)	(756,558)	-	-	-	(3,280,573)
Interest on equity distributed (Note 23.f)	-	-	-	-	-	-	-	-	(521,146)	(521,146)
Anticipated distribuition of dividends (Note 23.f)	-	-	-	-	-	-	-	-	(837,959)	(837,959)
Actuarial gains (losses) on pension plan, net of taxes (Note 23.h)	-	-	-	-	-	-	(1,558)	-	-	(1,558)
Net income for the period	-	-	-	-	-	-	-	-	3,664,263	3,664,263
	-	-	-	-	-	-	-	-	-	-
Allocations:	-	-	-	-	-	-	-	-	-	
Legal reserve (Note 23.f)	-	-	183,213	-	-	-	-	-	(183,213)	-
Investment reserve (Note 23.f)	-	-	-	1,740,525	-	-	-	-	(1,740,525)	-
Proposed additional dividends (Note 23.f)	-	-	-	-	-	381,420	-	-	(381,420)	-
Balance at December 31, 2019	**6,103,872**	**141,723**	**420,099**	**1,745,743**	**236,613**	**381,420**	**5,432**	**322,635**	**-**	**9,357,537**
Net income for the period	-	-	-	-	-	-	-	-	4,030,710	4,030,710
Dividends distributed (Note 23.f)	-	-	-	(777,339)	-	(381,420)	-	-	-	(1,158,759)
Interest on equity distributed (Note 23.f)	-	-	-	-	-	-	-	-	(404,941)	(404,941)
Anticipated distribuition of dividends (Note 23.f)	-	-	-	-	-	-	-	-	(1,221,241)	(1,221,241)
Losses on cash flow hedge accounting, net of taxes (Note 15.b)	-	-	-	-	-	-	(545)	-	-	(545)
Actuarial gains (losses) on pension plan, net of taxes (Note 23.h)	-	-	-	-	-	-	(1,064)	-	-	(1,064)
										-
Allocations:	-	-	-	-	-	-	-	-	-	-
Legal reserve (Note 23.f)	-	-	201,536	-	-	-	-	-	(201,536)	-
Investment reserve (Note 23.f)	-	-	-	1,914,587	-	-	-	-	(1,914,587)	-
Proposed additional dividends (Note 23.f)	-	-	-	-	-	288,405	-	-	(288,405)	-
										-
Balance at December 31, 2020	**6,103,872**	**141,723**	**621,635**	**2,882,991**	**236,613**	**288,405**	**3,823**	**322,635**	**-**	**10,601,697**
	-	-				-		-		-

The accompanying notes are an integral part of these financial statements.

CSN Mineração S.A

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Amounts expressed in thousands of Brazilian Reais - R$)

	Notes	Consolidated 12/31/2020	Consolidated 12/31/2019	Parent Company 12/31/2020	Parent Company 12/31/2019
Cash Flows from Operating Activities					
Net income for the period		4,030,710	3,664,263	4,030,710	3,664,263
Adjustments for:					
Equity in results of investee	9	(48,534)	(55,202)	(88,720)	(80,677)
Inflation adjustments and foreign exchange (gains) losses		51,962	(48,310)	51,962	(51,590)
Interest expenses on borrowings and financing	13	55,849	107,428	55,849	107,428
Capitalized interest	10.a	(62,899)	(89,228)	(62,899)	(89,228)
Interest leases	18.a	6,947	7,010	6,947	7,010
Losses realized on cash flow hedge accounting	15.b	299,585	-	299,585	-
Amortization of transaction costs		3,290	3,513	3,290	3,513
Depreciation and amortization	10.a e 11	1,232,473	498,420	1,232,428	498,374
Disposal of property, plant and equipment	10.a e 11	1,762	14,710	1,762	14,710
Current and deferred income tax and social contribution	19.a	1,759,287	1,530,942	1,748,226	1,515,855
Other provisions		(21,275)	(28,013)	(1,944)	(1,186)
(Increase) decrease in operating assets					
Trade receivables		(1,334,202)	(633,117)	(1,336,678)	(631,429)
Advances to suppliers		87,134	(402,176)	87,134	(402,176)
Inventories		(44,007)	(20,799)	(44,007)	(20,799)
Taxes recoverable		(34,214)	(50,880)	(31,668)	(50,649)
Other assets		(174,642)	(46,878)	(173,589)	(47,916)
Increase (decrease) in operating liabilities					
Trade payables		742,523	(33,057)	743,086	(32,921)
Salaries, provisions and social contributions		(942)	8,666	(965)	8,598
Taxes payable		109,077	25,314	118,925	39,755
Advances from customers		(10,011)	2,524,826	(10,011)	2,524,826
Other payables		(4,767)	36,296	(3,658)	39,546
Financial settlement of cash flow hedge	15.b	(299,585)	-	(299,585)	-
Dividends received - MRS e CSN Holding		45,166	46,159	122,838	46,159
Income taxes paid		(504,689)	(1,090,679)	(504,689)	(1,090,322)
Interest paid on borrowings and financing	13	(56,990)	(141,250)	(56,990)	(141,250)
Net cash generated by operating activities		**5,829,008**	**5,827,958**	**5,887,339**	**5,829,894**
Cash flows from investing activities					
Purchases of property, plant and equipment		(641,924)	(613,677)	(641,924)	(613,677)
Net cash used in investing activities		**(641,924)**	**(613,677)**	**(641,924)**	**(613,677)**
Cash flows from financing activities					
Repayment of borrowings and financing	13	(374,668)	(1,524,353)	(374,668)	(1,524,353)
Funding transactions	13 e 32	130,668	209,391	130,668	209,391
Transaction costs incurred		(265)	(2,624)	(265)	(2,624)
Dividends paid	23.f	(2,380,000)	(4,370,718)	(2,380,000)	(4,370,718)
Interest on own equity paid	23.f	-	(521,146)	-	(521,146)
Lease payments	18.a	(18,375)	(17,809)	(18,375)	(17,809)
Net cash used in financing activities		**(2,642,640)**	**(6,227,259)**	**(2,642,640)**	**(6,227,259)**
Variação cambial do caixa e equivalentes de caixa		-	(2,149)	-	-
Increase (decrease) in cash and cash equivalents		**2,544,444**	**(1,015,127)**	**2,602,775**	**(1,011,042)**
Cash and cash equivalents at the beginning of the year		428,077	1,443,204	348,268	1,359,310
Cash and cash equivalents at the end of the year		2,972,521	428,077	2,951,043	348,268
Increase (decrease) in cash and cash equivalents		**2,544,444**	**(1,015,127)**	**2,602,775**	**(1,011,042)**

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF VALUE ADDED
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Amounts expressed in thousands of Brazilian Reais - R$)

	Notes	Consolidated		Parent Company	
		12/31/2020	**12/31/2019**	**12/31/2020**	**12/31/2019**
Revenues		**14,143,206**	**11,708,844**	**14,143,695**	**11,708,844**
Sales of products and rendering of services		14,147,960	11,667,481	14,148,896	11,667,481
Other income (expenses)		(5,496)	41,365	(5,496)	41,365
Allowance for (reversal of) doubtful accounts		742	(2)	295	(2)
Raw materials acquired from third parties		**(5,579,287)**	**(4,941,801)**	**(5,624,882)**	**(4,989,019)**
Cost of sales and services		(3,522,659)	(2,569,147)	(3,552,787)	(2,609,793)
Materials, power supply, outsourcing and other		(2,001,258)	(2,326,295)	(2,016,725)	(2,332,868)
Impairment/recovery of assets		(55,370)	(46,359)	(55,370)	(46,358)
Gross value added		**8,563,919**	**6,767,043**	**8,518,813**	**6,719,825**
Retentions					
Depreciation, amortization and depletion	nota 25	(1,231,245)	(497,235)	(1,231,199)	(497,189)
Value added created		**7,332,674**	**6,269,808**	**7,287,614**	**6,222,636**
Value added received		**58,879**	**68,331**	**73,313**	**88,427**
Equity in results of investee	nota 9	48,534	55,202	88,720	80,677
Financial income		28,220	30,807	27,819	28,866
Others and foreign currency gains (losses)		(17,875)	(17,678)	(43,226)	(21,116)
VALUE ADDED TO DISTRIBUTE		**7,391,553**	**6,338,139**	**7,360,927**	**6,311,063**
DISTRIBUTION OF VALUE ADDED					
Personnel		538,023	561,216	524,304	551,065
Salaries and wages		411,453	424,787	398,243	414,672
Benefits		104,314	111,229	103,805	111,193
Severance payment (FGTS)		22,256	25,200	22,256	25,200
Salaries and wages		2,297,578	1,989,510	2,286,223	1,974,301
Federal		2,134,043	1,916,728	2,122,688	1,901,519
State		157,410	66,356	157,410	66,356
Municipal		6,125	6,426	6,125	6,426
Remuneration on third-party capital		525,242	123,150	519,690	121,435
Interest		404,181	176,331	404,161	176,306
Rental		2,506	1,905	40	63
Others		118,555	(55,086)	115,489	(54,934)
Remuneration on shareholders' capital		4,030,710	3,664,263	4,030,710	3,664,263
Interest on equity		404,941	521,146	404,941	521,146
Dividends		1,221,241	837,959	1,221,241	837,959
Retained earnings (accumulated losses)		2,404,528	2,305,158	2,404,528	2,305,158
		7,391,553	**6,338,139**	**7,360,927**	**6,311,064**

The accompanying notes are an integral part of these financial statements.

(Expressed in thousands of reais – R$, unless otherwise stated)

1. DESCRIPTION OF BUSINESS

CSN Mineração S.A, hereinafter referred to as "CSN Mineração", "Company" or "Parent Company"), is a closely held corporation, established in 2007, with its registered office in Congonhas, in the State of Minas Gerais. CSN Mineração, together with its subsidiaries and associates, is also referred to in these financial statements as "Group". CSN Mineração was incorporated as from the business combination between the mining and port assets of its parent company Companhia Siderúrgica Nacional ("CSN" or "CSN Group" or "CSN Group") and the mining assets merged into previously owned by Nacional Minérios SA ("Namisa"), a joint venture between CSN and Japan Brasil Iron Ore Participações ("Asian Consortium"), an Asian group, initially, formed by companies Itochu and by the international steel companies JFE, Posco, Kobe Steel, Nisshin Steel and China Steel Corp.

The Group is engaged in exploring mineral activity all over Brazil and abroad, including the utilization of mineral deposits, research, exploration, extraction, sale of ores in general and byproducts derived from mineral activity, processing, industrialization, transportation, shipment, provision of mining services, import and export of ores in general, and holding of equity interests in other domestic or foreign companies established under any legal form and whatever the corporate purpose.

The Company operates and develops its mining operations in the "Iron Quadrilateral" in Minas Gerais where is has rights to exploit mineral resources and has iron ore processing facilities. The Company's iron ore and the iron ore purchased from third parties is basically sold in the foreign market, mainly in the European and Asian continents, through an integrated logistics network that allows carrying the iron ore produced in the cities of Congonhas and Ouro Preto, in the State of Minas Gerais, to Itaguaí, in the State of Rio de Janeiro. The ore shipment is carried out by Coal Terminal ("TECAR"), a solid bulk terminal, one of the four terminals that comprise the Itaguaí Port, in Rio de Janeiro. TECAR also provides solid bulk unloading service, mainly to meet the demands for importations of coal and coke carried out by its controlling shareholder, Companhia Siderúrgica Nacional ("CSN").

The prices charged in the foreign iron ore market are historically cyclical and subject to significant fluctuations over short periods of time, driven by several factors related to global demand, strategies adopted by the major steel producers, and the foreign exchange rate. All these factors are beyond the Company's control.

As a pioneer in the use of technologies that result in the possibility of stacking the tailings generated in the iron ore production process, the Company has its iron ore production, since January 2020, 100% independent of tailings dams. After significant investments in recent years to raise the level of reliability, disposal and dry stacking, the Company has advanced of a scenario in which 100% of our tailings go through a dry filtering process and are stacked in piles, geotechnically controlled, in areas exclusively destined for stacking. The Company invested, approximately, R$250 million in the two tailings filtration plants that have a combined total filtration capacity of 9 million tons per year. As a consequence of these measures, decommissioning of dams is the natural way of processing dry tailings.

All of our mining dams are positively certified and comply with the environmental legislation in force.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.a) Basis of preparation and declaration of conformity

The consolidated and parent company financial statements have been prepared and are being presented in accordance with accounting practices issued by CPC (Accounting Pronouncements Committee), approved by the Federal Accounting Council – CFC, applicable to the preparation of financial statements. All the relevant information of the financial statements, and only this information, which correspond to those used by the Company's management.

The financial statements have been prepared using the historical cost as the base value, the net realizable value, the fair value or the recoverable value, except when otherwise indicated.

The preparation of these financial statements requires Management to use certain accounting estimates, judgments and assumptions that affect the application of accounting practices and the amounts reported on the balance sheet date of assets, liabilities, income and expenses may differ from actual future results. The assumptions used are based on history and other factors considered relevant and are reviewed by the Company's management.

The accounting policies and critical estimates, when applicable and relevant, are included in the respective notes and are consistent with the previous year presented.

- Note 11.a - Goodwill impairment test (impairment);
- Note 15 - Financial instruments: derivatives and hedge accounting ("hedge accounting");
- Note 21 - Provision for tax, social security, labor, civil, environmental and judicial deposits: main assumptions about the probability and magnitude of resource outflows;
- Note 22 – Provision for environmental liabilities and asset retirement obligations;
- Note 28 – Employee benefits;

The financial statements are presented in thousands of Brazilian reais (R$). Depending on the applicable standard, the measurement criteria used in preparing the financial statements considers the historical cost, net realizable value, fair value or recoverable amount. When the CPC's allows us to decide between acquisition cost or other measurement criteria, the acquisition cost was the criteria used.

The consolidated and parent company financial statements was approved by management on January 22, 2021.

2.b) Consolidated Financial Statement

The accounting policies have been consistently applied to all consolidated companies. The consolidated financial statements for the years ended December 31, 2020 and 2019 include the direct and indirect subsidiaries, as follows:

- **Companies**

Companies	Equity interests (%)	Core business
Direct interest in subsidiaries: full consolidation		
CSN Mining Holding, S.L	100.00	Financial transactions, product sales and equity interests
Indirect interest in subsidiaries: full consolidation		
CSN Mining GmbH	100.00	Sale of ore, financial transactions and equity interests
CSN Mining Portugal	100.00	Sales representation
CSN Mining Asia Limited	100.00	Sales representation
Direct interest in company classified as associate: equity method		
MRS Logistica S.A	18.63	Railroad transportation

In preparing the consolidated financial statements, we have adopted the following consolidation procedures:

- **Transactions between subsidiaries and associates.**

Unrealized gains on transactions with subsidiaries are eliminated to the extent of CSN Mineração's equity interests in the related entity by the consolidation process. Unrealized losses are eliminated in the same manner as unrealized gains, although only to the extent that there are not indications of impairment. The Company eliminates the effect on profit or loss of transactions carried out with associates and, as a result, reclassifies part of the equity in results to cost of sales and income tax and social contribution.

The base date to the financial statements of the subsidiaries and associates is the same as of the Company, and their accounting policies are also in line with the policies adopted by the Company.

Subsidiaries

Subsidiaries are all entities which financial and operating policies can be conducted by the Company and when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to use its power to affect its returns. The existence and effect of potential voting rights that are actually exercisable or convertible are taken into consideration when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date when the control is transferred to the Company and are deconsolidated from the date when such control ceases.

Associates

The investment in MRS is classified as an associate because the Company has significant influence, but not control the relevant decisions of the business of this investee. In addition to the 18.63% interest in MRS, which includes common and preferred shares and also a common share linked to the shareholder agreement, the Company's influence is taken into account in conjunction with the political rights of the controlling shareholder CSN, which is a member signatory of the shareholders' agreement of MRS.

The investment in associates is accounted for using the equity method.

2.c) Parent company financial statements

In the parent company financial statements, investments in subsidiaries and associates are accounted for by the equity method. To get the same result and equity attributable to equity holders in parent company and consolidated financial statements, are made in both financial statements, the same practice of adjustments upon adoption of CPCs.

2.d) Foreign currencies

i. Functional and presentation currency

Items included in the financial statements are related to each one of the Company's subsidiaries are measured using the currency of the primary economic environment in which the subsidiary operates ("functional currency"). The consolidated financial statements are presented in Brazilian reais (R$), which is the Company's functional currency and the Group's presentation currency.

ii. Transactions and balances

Transactions in foreign currencies are translated into the functional currency using the exchange rates in effect at the dates of the transactions or valuations when their values are remeasured. Foreign exchange gains and losses resulting from the settlement of those transactions and from the translation at exchange rates in effect as of December 31, 2020 related to monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

The balances of assets and liabilities are translated by exchange rates prevailing at the end of the reporting period. As of December 31, 2020, US$1.00 is equal to R$5.1967 (R$4.0307 at December 31, 2019) and €1.00 is equal to R$6.3779 (R$4.5305 at December 31, 2019).

All other foreign exchange gains and losses, including foreign exchange gains and losses related to borrowings and cash and cash equivalents, are presented in the income statement as financial income or costs.

2.e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, in bank accounts and other short-term highly liquid investments redeemable within 90 days from the end of the reporting period, readily convertible into a known amount of cash and subject to an insignificant risk of change in value. Bank certificates of deposit and government securities that do not meet the above criteria are not considered cash equivalents and are classified as financial investments, according note 4.

2.f) Trade receivables

Trade receivables are recognized at the transaction price, provided that they do not contain financing components, and and subsequently measured at amortized cost, when when applicable, adjusted to present value, including the related taxes and expenses, and foreign currency-denominated trade receivables are adjusted at the exchange rate in effect at the end of the reporting period. The allowance for estimated losses on doubtful debts were recognized in an amount considered sufficient to cover any losses, when applicable.

The receivables are composed by the value of the invoices issued (quantities, humidity indices and primary quality content), valued based on the price of the "commodities" established by "Platts", at the date of shipment, as established by the contract of each customer.

Monthly, when applicable, the market marking shall be made for open balances, by means of the future quote of "commodities" which would be used for final settlement when issuing the final bills.

The final invoices, which end the export operations and are generally issued after receipt and analysis of the "commodities" (approval of quantities, moisture indices and content of the metal contained by the customers), are valued as each contract is established.

The result of the necessary adjustments, both for issuing the final bills and for the market marking, is recognized as a result of sales at the time when it occurs.

A Company annually measures the expected credit losses, where it considers all possible loss events for the instruments where it considers all possible loss events over the life of its receivables, using a loss rate matrix per maturity range adopted by the Company, from the initial moment (recognition) of the asset. This model considers the client's history, default rate, financial situation and the position of its legal advisors to estimate expected credit losses.

2.g) Inventories

Inventories are carried at the lower of cost and net realizable value. Iron ore is recognized from the moment there is physical extraction in the mine and/or beneficiation. The absorption cost method is used. Direct costs are appropriate by objective notes, and indirect costs are appropriate by means of prorate based on normal production capacity and include expenditure incurred in purchasing stocks, production costs and processing and other costs incurred to bring them to their existing locations and conditions.

The allowance for estimated losses on slow-moving or obsolete inventories are recognized when considered necessary.

2.h) Investments

Investments in subsidiaries and associates are accounted for under the equity method of accounting and are initially recognized at cost, except when arises from business combination.

The gains or losses are recognized in profit or loss as operating income (or expenses).

When necessary, the accounting policies of subsidiaries and associates are changed to ensure consistency with the policies adopted by the Company.

2.i) Business combination

The acquisition method is used to account for on each business combination conducted by the Company. The payment obligation transferred by acquiring an entity is measured by the fair value of the assets transferred, liabilities incurred and equity instruments issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement, where applicable. Acquisition-related costs are recognized in profit or loss for the year, as incurred. Identifiable assets acquired and liabilities assumed in a business combination are initially measured at their fair values at the acquisition date.

2.j) Property, plant and equipment

Property, plant and equipment are carried at cost of acquisition, formation or construction, less accumulated depreciation or depletion and any impairment loss, when applicable. Depreciation is calculated under the straight-line method based on the remaining economic useful economic lives of assets, as mentioned in note 10. The depletion of mines is calculated based on the quantity of ore mined and Land is not depreciated since their useful life is considered indefinite. However, if the tangible assets are mine-specific, that is, used in the mining activity, they are depreciated over the shorter between the normal useful lives of such assets and the useful life of the mine. The Company recognizes in the carrying amount of property, plant and equipment the cost of replacement, and consequently reducing the carrying amount of the part that is replaced if it is probable that future economic benefits embodied therein will revert to the Company, and if the cost of the asset can be reliably measured. All other disbursements are expensed as incurred. Borrowing costs related to funds obtained for construction in progress are capitalized until these projects are completed.

If some components of property, plant and equipment have different useful lives, these components are accounted for in separate line items of property, plant and equipment.

Gains and losses on disposal are determined by comparing the sale value less the residual value and are recognized in 'Other operating income (expenses)'.

Exploration expenditures are recognized as expenses until the viability of mining activities is established; after this period the subsequent development costs are capitalized. Exploration and valuation expenditures include:

- Research and analysis of historical data related to area exploration;
- Topographic, geological, geochemical and geophysical studies;
- Determine the mineral asset's volume and quality/grade;
- Examine and test the extraction processes and methods;
- Topographic surveys of transportation and infrastructure needs;
- Market and financial studies;

The development costs from new mineral deposits or from capacity expansion in mine operations are capitalized and amortized using the produced (extracted) units method based on the probable and proven ore quantities.

The development stage includes:

- Drillings to define the ore body;
- Access and draining plans;
- Advance removal of overburden (top soil and waste material removed prior to initial mining of the ore body) and waste material (non-economic material that is intermingled with the ore body).

Stripping costs (the costs associated with the removal of overburden and other waste materials) incurred during the development of a mine, before production commences, they are capitalized as part of the depreciable cost of developing the property. Such costs are subsequently amortized over the useful life of the mine based on proven and probable reserves.

Stripping costs in the production phase are included in the cost of the inventory produced, except when a specific extraction campaign is made to access deeper deposits of than where ore body is located. In these cases, costs are capitalized and taken to noncurrent assets when the mineral ore deposit is extracted and are amortized over the useful life of the ore body.

The Company holds spare parts that will be used to replace parts of property, plant and equipment and that used to increase the asset's useful life when it exceeds 12 months. These spare parts are classified in property, plant and equipment and not in inventories.

2.k) Leases

When entering into a contract, the Company assesses whether the contract is, or contains, a lease. The lease is characterized by a lease or transmission of the right of use for a fixed period in exchange for monthly payments. O leased asset must be clearly specified.

The Company determines in the initial recognition, the lease term or non-cancellable term, which will be used in the measurement of the right-to-use and lease liabilities. The lease term will be reassessed by the Company when a significant event or significant change occurs in the circumstances that are in the control of the lessee and affect the non-cancellable term. The Company adopts exemption from recognition, as provided for in the standard, for the lessee contracts with terms of less than 12 (twelve) months, or whose underlying asset object of the contract is of low value.

On the start date, the Company recognizes the right to use asset and the lease liability at present value. The asset right of use must be measured at cost. The cost includes the lease liability, initial costs, advance payments, estimated costs to dismantle, remove or restore. The lease liability is measured on the start date by the Company at the present value of the lease payments that are made on that date. The payments are discounted at the interest rate implicit in the lease, or if the rate cannot be determined, an incremental rate will be used on the Company's loan.

For contracts that the Company determines the business rate, it is understood that this rate is the rate implied in terms and which is applied to discount the flow of future payments. In contracts with no rate definition, the Company applied the incremental loan rate, obtaining it through consultations with banks where it has a relationship, adjusted for the expected inflation for the coming years.

For the subsequent measurement, is used the cost method to the right-of-use assets and for depreciation, the requirements of IAS 16 - Property, Plant and Equipment. However, for the purpose of depreciation, the Company determines the use of the linear method based on the remaining useful life of the assets or the term of the contract, the lesser of the two.

The effects of PIS and Cofins recoverable generated after the effective payment of the obligations will be recorded as a reduction of depreciation expenses for the right to use and financial expenses recognized monthly.

IAS 36 - Impairment of Assets also applied in order to determine whether the right-of-use asset has impairment problems and to account for any impairment loss identified.

2.l) Intangible assets

Intangible assets comprise assets acquired from third parties, including through business combinations. These assets are recognized at cost of acquisition or formation, less amortization calculated on a straight-line basis on the exploration or recovery periods estimated.

Mineral rights acquired are classified in line item ''other assets'' in intangible assets.

Intangible assets with indefinite useful lives and goodwill based on expected future profitability are not amortized.

- **Goodwill**

Goodwill represents the positive difference between the amount paid and/or payable for the acquisition of a business and the net fair values of the acquiree´s assets and liabilities. Goodwill on acquisitions of subsidiaries is recognized as intangible assets in the consolidated financial statements. In the parent company statements, goodwill is included in investments. The gain on purchase is recognized as a gain in profit for the period at the acquisition date. Goodwill is annually tested for impairment. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of a Cash-Generating Unit (CGU) include the carrying amount of goodwill related to the CGU sold.

Goodwill is allocated to CGUs for impairment testing purposes. The allocation is made to CGUs of CGUs that are expected to benefit from the business combination in which the goodwill arose, and recalling that unit is not greater than the operating segment. The Company has only one CGU, totally dedicated to the iron ore beneficiation, to which goodwill was allocated for impairment testing purposes.

- **Software**

Software licenses purchased are capitalized based on the costs incurred to purchase the software and make it ready for use. These costs are amortized on a straight-line basis over the estimated useful lives up to 10 years.

2.m) Impairment of non-financial assets

Assets with infinite useful lives, such as goodwill, are not subject to amortization and are annually tested for impairment. Assets subject to amortization and/or depreciation, such as property, plant and equipment, are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. An impairment loss is recognized by the exciding value of an asset´s recoverable amount. The recoverable amount is the higher of the fair value of an asset less costs to sell and its value in use. For impairment testing purposes, assets are grouped at their lowest levels for which there are separately identifiable cash flows (Cash Generating Units, or CGUs). Non-financial assets, except for goodwill, are subsequently reviewed for possible reversal of the impairment at the reporting date.

2.n) Employee benefits and Profit sharing and bonus

i. Employee benefits

Defined contribution plans

A defined contribution plan is as a post-employment benefit plan whereby an entity pays fixed contributions to a separate entity (pension fund) and will not have any legal or constructive obligation to pay additional amounts. Obligations for contributions to defined contribution pension plans are recognized as employee benefit expenses in the periods during which services are provided by employees. Contributions paid in advance are recognized for an asset since it is agreed that either cash reimbursement or future reduction on payables will be available.
Contributions to a defined contribution plan that is expected to mature twelve (12) months after the end of the period in which the employee provides services are discounted to their present values.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company’s net obligation regarding defined pension benefit plans is calculated individually for each plan by estimating the value of the future benefit that the employees accrue as return for services provided in the current period and in prior periods; such benefit is discounted to its present value.

The discount rate is the yield presented at the end of the reporting period for top line debt securities whose maturity dates approximate the terms and conditions of the Company's obligations and which are denominated in the same currency as the one in which it is expected that the benefits will be paid. The calculation is made annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit for the Company, the asset to be recognized is limited to the total amount of any unrecognized costs of past services and the present value of the economic benefits available in the form of future plan reimbursements or reduction in future contributions to the plan. The present value of economic benefits is calculated taking into account the funding requirements applicable to the Company's plans. An economic benefit is available to the Company if it is realizable during the life of the plan or upon settlement of the plan's liabilities.

When the benefits of a plan are increased, the portion of the increased benefit related to past services of employees is recognized in profit or loss until the benefits become vested. When benefits became vesting rights, all actuarial gains or losses are immediately recognized in profit or loss.

The Company recognizes all actuarial gains or losses resulting from defined benefit plans immediately in other comprehensive income. If the plan is extinguished, actuarial gains and losses are recognized in profit or loss.

ii. Profit sharing and bonus

Employee profit sharing and executives' variable compensation are linked to the achievement of operating and financial targets. The Company recognizes a liability and an expense substantially allocated to production cost and, where applicable, to general and administrative expenses when such goals are met.

2.o) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and it has reliable cost estimation.

The amount recognized as a provision is the best value estimation required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). Success fees are accrued to the extent that they make it probable that disbursements will occur. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is probable that reimbursement will be received and that the amount of the receivable can be measured reliably.

2.p) Share capital

Common shares are classified in shareholders' equity.

Incremental costs directly attributable to the issue of new shares or options are shown in shareholders' equity as a deduction to the amount received, net of taxes.

2.q) Revenue recognition

As of January 1, 2018, IFRS15/CPC 47 was adopted by the Company, and recognizes our revenues once all the following conditions are satisfied:

- Identification of the contract for sale f goods or prevision of services;
- Identification of the performance obligations;
- Determination of the contract value;
- Determination of the value allocated to each performance obligation included int the contract; and
- Revenue recognition over time or at the time performance obligation completed.

The Company recognizes revenues from sales of iron ore when control of the product is transferred to customers, which generally occurs, in the case of export sales, when the product is loaded on the ship and, in the case of domestic sales, when the product is loaded on the train.

Iron ore export sales pursuant to the Incoterms "Cost, Insurance and Freight – CIF" and "Cost and Freight – CFR" include maritime freight service embedded in the same invoice. In this case, the performance obligation of the maritime freight service is considered separately from the shipment of iron ore and the Company recognizes revenue from the provision of this service upon delivery of the goods to the destination specified by customers.

Operating revenue from the sale of goods in the normal course of business is measured at the fair value of the consideration entity expects to receive in exchange for the delivery of the good or service promised to the customers.

For the portion of the Company's iron ore export sales pursuant to the Incoterms "Cost, Insurance and Freight – CIF" and "Cost and Freight – CFR", the obligation to pay for the good and the maritime freight service, which is embedded in the same invoice, generally arises when the product is loaded on the ship. Because the Company contract and, the same cases, pays for the maritime freight service in advance, the Company recognizes the contracted maritime freight service as an asset, as advances to suppliers, until arrival at the port of destination, at which time it is charged to income statement as freight expenses. Concurrently, the Company records the price of the maritime freight service that it is responsible for as a liability, as advances from customers, until arrival at the port of destination, at which time the Company completes its performance obligation for the maritime freight service and, accordingly, recognizes revenue for the provision of this service.

The Company generally realizes advances to suppliers and advances from customers as freight expenses and revenue for maritime freight services provided, respectively, within one month. Such revenue allocated to freight does not significantly affect the results of the Company's fiscal year and, therefore, it is not presented separately in the financial statements. For other services rendered, revenue is recognized based on its realization.

2.r) Financial income and financial costs

Financial income includes interest income from funds invested and changes in the fair value of financial assets measured at fair value through profit or loss. Interest income is recognized in profit or loss, under the effective interest method.

Financial costs comprise interest expenses on borrowings and losses on fair value of financial instruments measured at fair value through profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are measured through profit or loss under the effective interest method.

Foreign exchange gains and losses are reported on a net basis.

2.s) Income tax and social contribution

Current income tax and social contribution are calculated based on the tax laws enacted by the end of the reporting period, including in the countries where the Group entities operate and generate taxable profit. Management periodically assesses the positions taken in the tax calculations with respect to situations where applicable tax regulations are open to interpretations. The Group recognizes provisions where appropriate, based on the estimated payments to tax authorities. The income tax and social contribution expense comprises current and deferred taxes. Current and deferred taxes are recognized in profit or loss unless they are related to business combinations or items recognized directly in shareholders' equity.

Current tax is the expected tax payable or receivable on taxable profit or loss for the year at tax rates that have been enacted by the end of the reporting period and any adjustment to taxes payable in relation to prior years.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is not recognized for the following temporary differences: initial recognition of assets and liabilities in a transaction that is not a business combination and does not affect either the accounting or taxable profit or loss, and differences associated with investments in subsidiaries and joint ventures when it is probable that they will not reverse in the foreseeable future.

Moreover, a deferred tax liability is not recognized for taxable temporary differences resulting from the initial recognition of goodwill. The deferred tax is measured at the rates that are expected to be applied on temporary differences when they reverse, based on the laws enacted by the end of the reporting period.

Current income tax and social contribution are carried at their net amounts by the taxpayer, in liabilities when there are amounts payable or in assets when prepaid amounts exceed the total amount due at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same entity subject to taxation.

A deferred income tax and social contribution asset is recognized for all tax losses, tax credits, and deductible temporary differences to the extent that it is probable that taxable profits will be available against which those tax losses, tax credits, and deductible temporary differences can be utilized. Annually, the Company reviews and verifies the existence of future taxable income and a provision for loss is recognized when the realization of these credits is not likely.

2.t) Earnings/ (Loss) per share

Basic earnings/loss per share are calculated by means of the profit/loss for the year attributable to owners of the Company and the weighted average number of common shares outstanding in the related period. Diluted earnings/loss per share are calculated by means of the average number of shares outstanding, adjusted by instruments potentially convertible into shares, with diluting effect, in the reported periods. The Company does not have any instruments potentially convertible into shares and, accordingly, diluted earnings/loss per share are equal to basic earnings/loss per share.

2.u) Environmental and restoration costs

The Company recognizes a provision for the recovery costs, when a loss is probable and the amounts of the related costs can be reliably measured. Generally, the period when the provision for recovery is recognized coincides with the end of a feasibility study or the commitment to adopt a formal action plan.

Expenses related to compliance with environmental regulations are charged to profit or loss or capitalized, as appropriate. Capitalization is considered appropriate when the expenses refer to items that will continue to benefit the Group and that are basically related to the acquisition and installation of equipment to control and/or prevent pollution (environmental licences).

2.v) Research and development

Research expenditures are recognized as expenses when incurred. Expenditures on project developments (related to the design and testing stages of new or improved products) are recognized as intangible assets when it is probable that projects will be successful, based on their commercial and technological feasibility, and only when the cost can be reliably measured. When capitalized, development expenditures are amortized from the start of a product commercial production, on a straight-line basis and over the period of the expected benefit.

2.w) Financial instruments

As of January 1, 2018, CPC 48 was adopted by the Company, all assets and liabilities are recorded according to the respective practice.

i) Financial assets

Financial assets are classified into the following categories: assets measured at amortized cost, fair value through profit or loss and fair value through other comprehensive income. Assets are classified according to the definition of the business plan adopted by the Company and the characteristics of the cash flow of the financial asset.

- **Recognition and measurement**

The Company classifies, at initial recognition, its financial assets into three categories: i) assets measured at amortized cost ii) fair value through profit or loss and iii) fair value through other comprehensive income.

- **Amortized cost**

Assets measured at amortization cost must be measured if both of the following conditions are met: i) the financial asset is maintained within the business plan whose objective is to maintain financial assets for the purpose of receiving contractual cash flows ii) the contractual terms of the financial asset give rise, on specific dates, to cash flows that exclusively constitute payments of principal and interest on the principal amount outstanding, the Company shall recognize its interest income, exchange gains and losses and impairment directly in the income statement

- **Derecognition of financial assets**

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred, in the latter case, provided that the Company has transferred significantly all risks and rewards of ownership.

If the company holds substantially all the risks and rewards of ownership of the financial asset, it must continue to recognize the financial asset.

ii) Financial liabilities

Financial liabilities are classified under the following categories: financial liability at amortized cost, fair value through profit or loss. Management determines the classification of its financial liabilities at the time of initial recognition.

- **Financial liabilities measured at amortized cost**

The Company shall classify all its financial liabilities as amortized cost, except financial liabilities classified at fair value through profit or loss, derivative liabilities, collateral agreement.

Other financial liabilities are measured at amortized cost using the effective interest method. The interest expenses, gains and losses are recognized in the income statement.

The Company holds the following non-derivative financial liabilities: borrowings, financing and debentures and trade payables.

- **Financial liabilities at fair value through profit or loss**

Financial liabilities classified in category fair value through profit or loss are financial liabilities held for trading or those designated at the time of initial recognition.

Derivatives are also classified as trading securities, and thereby are classified so, unless they have been designated as effective hedging instruments.

Gains and losses on financial liabilities classified at fair value through profit or loss are recognized in profit or loss

- **Derecognition of financial liabilities**

Financial liabilities are written off only when they are extinguished, that is, when the obligation specified in the agreement is settled, canceled or expires. The Company also derecognizes a financial liability when the terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

2.x) Statement of value added

Pursuant to Law 11,638/07, the presentation of the statement of value added is required for all publicly-held companies. These statements were prepared in accordance with CPC 09 - Statement of Value Added, approved by CVM Resolution 557/08. The IFRS does not require the presentation of this statement and for IFRS purposes is presented as additional information.

The statement of value added should highlight the wealth generated by the Company and demonstrate its distribution.

2.y) Segment information

An operating segment is a component of the Group committed to the business activities from which it can obtain revenues and incur expenses, including revenues and expenses related to transactions with any other components of the Group. The Company works and analyses its results considering only one segment: Iron Ore. All the operating results of operating segments are reviewed regularly by the Executive Officers of the Company to enable decisions regarding resources to be allocated to the segment and assessment of its performance. Accordingly, in these financial statements the segment information is not being disclosed.

2.z) Effects of COVID-19

From 2019, the Covid-19 virus has spread around the world and on March 2020 the WHO (World Health Organization) declared the virus pandemic. From the beginning of the pandemic, the Company has adopted several precautionary measures to reduce exposure of its employees and assure the continuity of its businesses.

All employees in chronic conditions of vulnerability (risk group) were mapped and placed on vacation together with most other employees in order to reduce their corporate staff by around 50%. In addition, masks were provided for all employees, hand sanitizer was made available at all company premises and we also released internal communications with preventive measures in order to reinforce hygiene protocols recommended by the competent authorities.

The Company assess permanently and in detail the effects caused by COVID-19 on its business since, mainly, the second quarter of 2020, economic activities in Brazil were drastically reduced, having been imposed restrictions and measures of social distance in order to reduce the circulation of the virus. Many of those restrictions were retired by the authorities and the Company has not experienced significant impacts on its business.

The Company's mining activity is directly linked to the worldwide demand for steel and, accordingly, any reduction in this activity could affect the demand and the price of products and have significant impacts on the Company's financial position and results.

Below are the potential economic effects on the Company in relation to Covid-19:

a) Operational effects

The Company's investment budget for 2020 has been revised considering the adverse effects of the global economic slowdown and, consequently, on its operations. Therefore, the revision reduced the amount of investments and gave priority to the execution of current investment projects that are fundamental for maintaining the conditions of operational capacity, environment and safety.

The pandemic did not cause a material impact on revenues from sales of iron ore and there were also no impacts on the supply of supplies that would interrupt operating activities.

b) Recoverability of financial and non-financial assets and liabilities

The pandemic has not had a significant impact on the fair value of the Company's assets and liabilities. The Company believes the worst scenario has dissipated and, accordingly, we don't expect any impact in our assets and liabilities as well as on the Company's business.

There were not material impacts on the Company's financial assets. Our portfolio of investments and the nature of our industrial plants have long-term characteristics. The long-term operating and economic context in which the Company is inserted gives us more flexibility in the strategies and plans to mitigate the risks and effects of the pandemic and, accordingly, ensure the maintenance of recoverability expected from our non-financial assets, such as equity instruments, property, plant and equipment and tax credits. In the beginning of the pandemic we realized stressing tests playing with many assumptions of our business projections, especially for the years 2020 and 2021. These stressed assumptions remained unchanged throughout the year and, consequently, and we did not identify any impairment losses that should be recognized in our financial information as of December 31, 2020.

In accordance with guidelines issued by the Brazilian Securities and Exchange Commission (CVM), the Company assessed possible effects that are related to business continuity and its accounting estimates. In the Company's assessment, the pandemic did not bring risks of continuity or the need for adjustments to accounting estimates that would have significant effects on the Company's business and, consequently, on its equity and financial position.

The Company remains with all its production and sales forecasts.

2.aa) Adoption of the new and revised International Financial Reporting Standards (IFRS) and CPC

During the year of 2020, the Accounting Pronouncements Committee (CPC) and the IASB issued the revision of the rules below, already in force in the year of 2020. Some accounting pronouncements that became effective as of January 1, 2020, having adopted and without physical impact on the Company's results and financial position were as follows:

- Business definition (changes to IFRS 3)
- Definition of materiality (changes to IAS 1 and IAS 8)
- Reform of the benchmark interest rate (changes to IFRS 9, IAS 39 and IFRS 7)
- Changes in references to the basic conceptual framework (various standards)
- Concessions related to COVID-19 (amendments to IFRS 16

The changes were evaluated and adopted by the Company's management, and there were no impacts on its financial statements regarding their application.

New standards, changes and interpretations to existing standards that are not yet effective and have not been adopted in advance by the Company (before which significant impacts are not expected in the initial adoption period and that, therefore, no further disclosures are being made):

- IFRS 17 Insurance contracts
- Changes to IFRS 17 Insurance contracts (changes to IFRS 17 and IFRS 4)
- References to the Conceptual Framework
- Products before intended use (changes to IAS 16)
- Onerous contracts - cost of fulfilling a contract (changes to IAS 37)
- Annual cycle of improvements to IFRS 2018-2020 (changes to IFRS 1, IFRS 9, IFRS 16 and IAS 41)
- Classification of liabilities as current and non-current (changes to IAS 1)

3. CASH AND CASH EQUIVALENTS

	Consolidated		Parent Company	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Cash and cash equivalents				
In Brazil:	478	4,569	478	4,569
Abroad:	1,537,163	217,437	1,515,685	197,890
	1,537,641	**222,006**	**1,516,163**	**202,459**
Short-term investments				
In Brazil:	1,434,880	145,809	1,434,880	145,809
Abroad:	-	60,262	-	-
	1,434,880	**206,071**	**1,434,880**	**145,809**
Total	**2,972,521**	**428,077**	**2,951,043**	**348,268**

The funds available established in Brazil, are basically invested in private and public securities with value linked to the variation of the Interbank Deposit Certificates (CDI) and committed operations backed by National Treasury Notes, respectively.

A significant part of the funds abroad is invested in private bonds, in banks analyzed by Management as first-rate and are remunerated at fixed rates.

4. FINANCIAL INVESTMENTS

As of December 31, 2020, the Company had financial investments in public securities - LFT - National Treasury Bills, managed by CSN exclusive funds, which amounted to R$1,425 (R$36,132 as of December 31, 2019) in the consolidated and parent company.

5. TRADE RECEIVABLES

	Consolidated		Parent Company	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Trade receivables				
Third parties				
Domestic market	1,043	3,869	1,043	3,869
Foreign market	1,692,785	725,217	1,684,109	715,650
	1,693,828	**729,086**	**1,685,152**	**719,519**
Allowance for doubtful debts	(10,660)	(9,370)	(1,984)	(2,279)
	1,683,168	**719,716**	**1,683,168**	**717,240**
Related parties (Note 12-b)	1,142,566	714,357	1,142,566	714,357
Total	**2,825,734**	**1,434,073**	**2,825,734**	**1,431,597**

To determine the recovery of trade accounts receivable, the Company considers any change in the credit quality of the customer from the date the credit was initially granted until the end of the reporting period.

The following are the balances of accounts receivable by maturity:

	Consolidated		Parent Company	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Current	1,684,191	579,315	1,684,191	579,315
Past-due up to 180 days	-	137,749	-	137,749
Past-due over 180 days	9,637	12,022	961	2,455
Total	**1,693,828**	**729,086**	**1,685,152**	**719,519**

The movements in the Company's allowance for doubtful debts are as follows

	Consolidated		Parent Company	
	12/31/2020	**12/31/2019**	**12/31/2020**	**12/31/2019**
Opening balance	**(9,370)**	**(9,094)**	**(2,279)**	**(2,277)**
Expected losses	(742)	(2)	-	(2)
Recovery of receivables	1,484	-	295	-
Exchange variations	(2,032)	(274)	-	-
Closing balance	**(10,660)**	**(9,370)**	**(1,984)**	**(2,279)**

6. INVENTORIES

	Consolidated and Parent Company	
	12/31/2020	**12/31/2019**
Finished goods	264,236	146,816
Work in progress (1)	365,063	226,203
Spare parts	269,455	286,372
Others	4,521	2,679
(-) Provision for losses	(43,531)	(49,138)
	859,744	**612,932**
Current	512,440	468,433
Noncurrent	347,304	144,499
Total	**859,744**	**612,932**

Long-term iron ore inventories that will be used after the construction of the processing plant, which will produce pellet feed, In 2020, the Company defined the construction project for the new plant for processing Itabirito, which until then was considered as waste, and started to be incorporated into the long-term ore stock.

1-On December 31, 2020, the Company started to disclose the long-term iron ore stock in the amount of R$347,304 (R$144,499 on December 31, 2019) together with the short-term inventories, the amount was disclosed in note 8 - other current and noncurrent assets.

The movements in the provision for inventory losses are as follows:

	Consolidated and Parent Company	
	12/31/2020	**12/31/2019**
Openning balance	**(49,138)**	**(92,031)**
Reversal for slow-moving and obsolescence	5,607	8,666
Reversal of provision losses related to finished goods	-	34,227
Closing	**(43,531)**	**(49,138)**

7. RECOVERABLE TAXES

	Consolidated		Parent Company	
	12/31/2020	**12/31/2019**	**12/31/2020**	**12/31/2019**
Prepayment of Income Tax and Social Contribution	11,552	10,398	9,201	10,225
State VAT (ICMS)	92,917	95,499	91,999	94,949
Taxes on Revenue (PIS and COFINS)	32,160	19,326	32,160	19,326
Others	6,920	2,941	6,920	2,941
Total	**143,549**	**128,164**	**140,280**	**127,441**
Current	66,120	53,969	62,851	53,246
Noncurrent	77,429	74,195	77,429	74,195
Total	**143,549**	**128,164**	**140,280**	**127,441**

The noncurrent portion refers, basically, to ICMS credits expected to be realized in the long term.

The Company periodically assesses the evolution of the accumulated tax credits and the need to recognize a provision for impairment aimed at their utilization.

8. OTHER CURRENT AND NON CURRENT ASSETS

The group of other current and non-current assets is comprised as follows:

	Consolidated		Parent Company	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Judicial deposits (Note 21)	38,693	42,961	38,693	42,961
Dividends receivable (Note 12.b)	19,039	22,272	19,039	22,272
Other receivables from related parties (Note 12.b)	330,065	419,669	330,129	420,590
Freight and maritime insurance (1)	84,723	103,987	84,707	103,682
Others	32,813	22,695	32,363	22,109
Total	**505,333**	**611,584**	**504,931**	**611,614**
Current	218,835	225,655	218,883	226,112
Noncurrent	286,498	385,929	286,048	385,502
Total	**505,333**	**611,584**	**504,931**	**611,614**

1. Refers to payment of freight expenses and marine insurance on unrecognized sales revenues, following the guidelines of CPC 47 / IFRS15, the freight in incoterms "CIF" is considered a distinct performance obligation and for these, there's not conclusion about the delivery process in December 31, 2020, but the transport service provider had already been paid.

9. INVESTMENTS

	Consolidated		Parent Company	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Investments accounted for under the equity method				
Subsidiary				
CSN Mining Holding	-	-	16,177	73,548
Associate				
MRS Logística S.A.	803,481	764,301	803,481	764,301
Fair value allocated to MRS (1)	421,891	433,637	421,891	433,637
Total	**1,225,372**	**1,197,938**	**1,241,549**	**1,271,486**

1. The fair value allocated to the investment in MRS derives from the control acquisition of Namisa. amortization is carried out according to the period of the railway concession contract with MRS

The changes in investments in the subsidiary and in the jointly controlled company are as follows:

	Consolidated		Parent Company	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Opening balance of investments	1,197,938	1,161,559	1,271,486	1,236,458
Share of profit (loss) of investees	80,165	93,775	100,466	92,424
Amortization of fair value allocated to MRS shares	(11,746)	(11,746)	(11,746)	(11,746)
Dividends	(40,687)	(45,352)	(118,359)	(45,352)
Others	(298)	(298)	(298)	(298)
Total	**1,225,372**	**1,197,938**	**1,241,549**	**1,271,486**

The reconciliation of the equity in results and the amount presented in the income statement is presented below and due from the elimination of the results of the Company's transactions with these companies:

	Consolidated		Parent Company	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Equity in earnings of subsidiaries MRS	80,165	93,775	80,165	93,775
Equity in earnings of subsidiaries CSN Mining Holding	-	-	20,301	(1,352)
Compensation of cost share in the income statement (IAS28)	(19,885)	(26,827)	-	-
Amortization of fair value allocated to MRS shares	(11,746)	(11,746)	(11,746)	(11,746)
Total	**48,534**	**55,202**	**88,720**	**80,677**

Description and main information on the direct subsidiary and associate

- CSN MINING HOLDING, S.L.

Located in Bilbao, this wholly-owned subsidiary was acquired on April 16, 2008 and operates as a holding company with a 100% stake in subsidiaries CSN Mining GMbH, CSN Mining Ásia and CSN Mining Portugal, whose main activities are related to the sale of iron ore in the foreign market and to financial transactions. With the business combination in November 2015 and consequent merger of Namisa into the Company in December 2015, CSN Mining Holding became a direct subsidiary of CSN Mineração.

- MRS LOGÍSTICA S.A.

Located in the city of Rio de Janeiro, RJ, this subsidiary is engaged in providing public railroad freight transportation services, on the basis of an onerous concession agreement, on the tracks of the Southeast Network of Rede Ferroviária Federal S.A. - RFFSA, located between the cities of Rio de Janeiro, São Paulo and Belo Horizonte. The concession period is effective for 30 years, from December 1, 1996, renewable for an equal period by the sole decision of the grantor.

MRS can also engage in modal transportation services related to railroad transportation and participate in projects aimed at expanding the railroad services granted on a concession basis.

For the provision of services, MRS leased from RFFSA, for the same concession period, the assets required for the operation and maintenance of the cargo railroad transportation activities. At the end of the concession, all leased assets will be transferred to the railroad transportation operator designated in that same act.

The Company held directly a 18.63% stake in MRS, represented by: (i) 7.59% in common shares, with one share linked to the shareholders' agreement; and (ii) 11.04% in preferred shares.

The main financial information on assets, liabilities and profit or loss of of joint venture are presented in the table below and refer to 100% of the company's results.

Balance Sheet

					Consolidated
	12/31/2020	12/31/2019		12/31/2020	12/31/2019
Assets			**Liabilities**		
Current			**Current**		
Cash and cash equivalents	1,206,484	670,296	Borrowings	828,439	653,784
Advance of suppliers	27,312	20,100	Leases liabilities	317,526	256,034
Others	823,204	1,326,281	Others	1,117,975	1,561,684
Noncurrent			**Noncurrent**	-	-
Others	608,878	789,562	Borrowings	2,162,657	2,369,615
Investment, property, plant and equipment, and intangible assets	8,537,009	8,316,033	Leases liabilities	1,674,594	1,650,758
			Others	788,862	527,871
			Equity	**4,312,834**	**4,102,526**
Total Assets	**11,202,887**	**11,122,272**	**Total Liabilities and Equity**	**11,202,887**	**11,122,272**

Statement of Income

		Consolidated
	12/31/2020	12/31/2019
Statement of profit or loss		
Net revenue	3,604,965	3,200,809
(-) Cost of sales	(2,521,991)	(2,382,828)
Gross profit	**1,082,974**	**817,981**
Operating expenses	(105,267)	207,840
Finance income (costs), net	(330,756)	(268,089)
Profit before taxes	**646,951**	**757,732**
Taxes on profit	(216,649)	(254,378)
Profit or Loss for the period	**430,302**	**503,354**

10. PROPERTY, PLANT AND EQUIPMENT

10.a) Composition of Property, Plant and Equipment

								Consolidated
	Land	Buildings and infrastructure	Machinery, equipment and facilities	Furniture and fixtures	Construction in progress	Right of use	Others(*)	Total
Balance at December 31, 2019	**60,953**	**1,530,535**	**3,916,249**	**8,888**	**1,536,077**	**88,807**	**45,150**	**7,186,659**
Cost	60,953	1,884,720	6,902,006	28,164	1,536,077	101,941	96,206	10,610,067
Accumulated depreciation	-	(354,185)	(2,985,757)	(19,276)	-	(13,134)	(51,056)	(3,423,408)
Balance at December 31, 2019	**60,953**	**1,530,535**	**3,916,249**	**8,888**	**1,536,077**	**88,807**	**45,150**	**7,186,659**
- Acquisitions	654	-	25,941	97	675,073	-	234	701,999
- Capitalized interest (Note 27)	-	-	-	-	62,899	-	-	62,899
- Depreciation	-	(656,690)	(545,017)	(1,633)	-	(13,656)	(8,549)	(1,225,545)
- Transfers to other asset categories	-	25,335	391,380	-	(417,226)	-	-	(511)
- Disposal (Note 26)	-	-	(1,762)	-	-	-	-	(1,762)
- Right of use	-	-	-	-	-	8,267	-	8,267
- Remeasurement of lease agreements	-	-	-	-	-	(701)	-	(701)
- ARO update (Note 22)	-	121,452	-	-	-	-	-	121,452
Balance at December 31, 2020	**61,607**	**1,020,632**	**3,786,791**	**7,352**	**1,856,823**	**82,717**	**36,835**	**6,852,757**
Cost	61,607	2,073,791	7,262,387	28,260	1,856,823	109,507	96,332	11,488,707
Accumulated depreciation	-	(1,053,159)	(3,475,596)	(20,908)	-	(26,790)	(59,497)	(4,635,950)
Balance at December 31, 2020	**61,607**	**1,020,632**	**3,786,791**	**7,352**	**1,856,823**	**82,717**	**36,835**	**6,852,757**

								Parent Company
	Land	Buildings and infrastructure	Machinery, equipment and facilities	Furniture and fixtures	Construction in progress	Right of use	Others(*)	Total
Balance at December 31, 2019	**60,953**	**1,530,535**	**3,916,249**	**8,888**	**1,536,077**	**88,807**	**45,030**	**7,186,539**
Cost	60,953	1,884,720	6,902,006	28,164	1,536,077	101,941	95,943	10,609,804
Accumulated depreciation	-	(354,185)	(2,985,757)	(19,276)	-	(13,134)	(50,913)	(3,423,265)
Balance at December 31, 2019	**60,953**	**1,530,535**	**3,916,249**	**8,888**	**1,536,077**	**88,807**	**45,030**	**7,186,539**
- Acquisitions	654	-	25,941	97	675,073	-	234	701,999
- Capitalized interest (Note 27)	-	-	-	-	62,899	-	-	62,899
- Depreciation	-	(656,690)	(545,017)	(1,633)	-	(13,656)	(8,504)	(1,225,500)
- Transfers to other asset categories	-	25,335	391,380	-	(417,226)	-	-	(511)
- Disposal (Note 26)	-	-	(1,762)	-	-	-	-	(1,762)
- Right of use	-	-	-	-	-	8,267	-	8,267
- Remeasurement of lease agreements	-	-	-	-	-	(701)	-	(701)
- ARO update (Note 22)	-	121,452	-	-	-	-	-	121,452
Balance at December 31, 2019	**61,607**	**1,020,632**	**3,786,791**	**7,352**	**1,856,823**	**82,717**	**36,760**	**6,852,682**
Cost	61,607	2,073,791	7,262,387	28,260	1,856,823	109,507	96,069	11,488,444
Accumulated depreciation	-	(1,053,159)	(3,475,596)	(20,908)	-	(26,790)	(59,309)	(4,635,762)
Balance at December 31, 2019	**61,607**	**1,020,632**	**3,786,791**	**7,352**	**1,856,823**	**82,717**	**36,760**	**6,852,682**

(*) Refers to certain improvements in third-party goods, vehicles, hardware.

10.b) Right of use

The movement of the rights of use as of December 31, 2020 is as follows.

					Consolidated and Parent Company
	Land	Buildings and infrastructure	Machinery, equipment and facilities	Others(*)	Total
Balance at December 31, 2019	**85,251**	**21**	**1,368**	**2,167**	**88,807**
Addition	-	-	-	8,267	8,267
Remeasurement of lease agreements	-	-	-	(701)	(701)
Transfers to other asset categories	-	455	(322)	(133)	-
Depreciation	(3,375)	(457)	(643)	(9,181)	(13,656)
Balance at December 31, 2020	**81,876**	**19**	**403**	**419**	**82,717**

The estimated average useful lives, in years, for the years ended December 31, 2020 and 2019 are as follows:

	Consolidated and Parent Company	
	12/31/2020	12/31/2019
In years		
Buildings	30	41
Machinery, equipment and facilities	16	17
Furniture and fixtures	13	12
Others	5	13

The reduction in the useful life presented in "Buildings" was caused by the review of the useful life of the dam infrastructures as a result of normal obsolescence originated in 2020 due to the use of 100% of its production process to filter and stack dry tailings.

10.c) Capitalized interest

Borrowing costs of R$62.899 (R$89.228 as at December 31, 2019) were capitalized. These costs were calculated basically for the projects of expansion of Casa de Pedra's production capacity and expansion of TECAR's export capacity. The rates for non-specific projects in the year ended December 31, 2020 are 5.62% per year (6.58% per year as of December 31, 2019).

11. INTANGIBLE ASSETS

	Consolidated and Parent Company				
	Goodwill [(1)]	Relationships with suppliers [(2)]	Software	Rights and licenses [(3)]	Total
Balance at December 31, 2019	**3,196,587**	**702**	**318**	**1,043,930**	**4,241,537**
Cost	3,196,587	1,420	13,134	1,062,630	4,273,771
Amortization	-	(959)	(11,599)	(18,825)	(31,383)
Balance at December 31, 2019	**3,196,587**	**702**	**318**	**1,043,930**	**4,241,537**
- Amortization	-	(240)	(1,077)	(5,611)	(6,928)
- Transfers to other asset categories	-	-	511	-	511
Balance at December 31, 2020	**3,196,587**	**462**	**(248)**	**1,038,319**	**4,235,120**
Cost	3,196,587	1,420	13,645	1,062,630	4,274,282
Amortization	-	(1,199)	(12,676)	(24,436)	(38,311)
Balance at December 31, 2020	**3,196,587**	**221**	**969**	**1,038,194**	**4,235,971**

1. Goodwill on the expectation of future profitability generated in the acquisition control of Namisa.
2. Intangible assets related to contracts with suppliers acquired in the acquisition of control of Namisa.
3. Mining rights of the Engenho mine. The amortization is carried out by the volume of extraction of crude iron ore carried out at the mine.

The estimated average useful lives, in years, for the years ended December 31, 2020 and 2019 are as follows:

	Consolidated and Parent Company	
	12/31/2020	12/31/2019
Relationships w ith suppliers	6	6
Softw are	6	6
Rights and licenses	49	49

11.a) Impairment testing

An impairment test was conducted on the goodwill arising from the acquisition of Namisa by the Company, concluded on November 30, 2015 and also includes the balances of property, plant and equipment, intangible assets and long term inventory. The test is based on the comparison of the carrying amount with the value in use and is calculated based on discounted cash flows projected for the next years and based on budgets approved by management, as well as on the utilization of assumptions and judgments related to the growth rate of revenues, costs and expenses, discount rate, working capital and future investment ("capex"), and macroeconomic assumptions observable in the market.

The main assumptions used in the test were the following:

- **Measurement of the recoverable amount** Discounted cash flow;
- **Cash flow projection** until 2064;
- **Gross margin**: average of the cash-generating unit's gross margin based on the history and projections for the next 44 years and exchange rate and price curves of sector reports for the long term;

- **Adjustment of costs for inflation,** based on historical data and market trends.
- **Discount rate:** cash flow was discounted using an after-tax discount rate in real terms, based on the weighted average cost of capital ("WACC"), which reflects the specific risk of the mining segment.

Based on the analyses performed by Management, it was not necessary to record the impairment of these asset balances in the year ended December 31, 2020.

12. RELATED-PARTY BALANCES AND TRANSACTIONS

12.a) Transactions with holding companies

CSN is the Company's controlling shareholder, holding an 87.52% interest in the voting capital. CSN, in turn, is controlled by Vicunha Aços S.A., which holds 49.24% of CSN's capital.

CSN is a publicly held company and publishes its financial statements in the Brazilian and American markets. CSN's financial statements were approved on February 22, 2021.

12.b) Transactions with holding companies, subsidiaries, associates and other related parties

						12/31/2020						Consolidated 12/31/2019
	Parent Company	Asian Consortium	Joint Venture e Joint Operation	Other related parties	Exclusive funds	Total	Parent Company	Asian Consortium	Joint Venture e Joint Operation	Other related parties	Exclusive funds	Total
Assets												
Current												
Financial investments	-	-	-	44	3,319	3,363	-	-	-	86	103,334	103,420
Trade receivables (Note 5)	1,043,925	95,390	-	3,251		1,142,566	586,015	123,437	-	4,905		714,357
Advances to suppliers (Note 8)	92,207	-	-	-	-	92,207	83,209	-	-	-	-	83,209
Dividends (Note 8)	-	-	19,039	-		19,039	-	-	22,272	-	-	22,272
Others (Note 8)	3,008	-	-	-	-	3,008	3,779	-	-	-	-	3,779
	1,139,140	**95,390**	**19,039**	**3,295**	**3,319**	**1,260,183**	**673,003**	**123,437**	**22,272**	**4,991**	**103,334**	**927,037**
Non-current												
Advances to suppliers (Note 8)	222,834	-	-	-		222,834	318,967	-	-	-	-	318,967
Others (Note 8)				12,016		12,016	-	-	-	13,714		13,714
	222,834	**-**	**-**	**12,016**	**-**	**234,850**	**318,967**	**-**	**-**	**13,714**	**-**	**332,681**
	1,361,974	**95,390**	**19,039**	**15,311**	**3,319**	**1,495,033**	**991,970**	**123,437**	**22,272**	**18,705**	**103,334**	**1,259,718**
Liabilities												
Current												
Trade payables	54	6,549	21,901	87,309	-	115,813	18	6,174	59,840	37,936	-	103,968
Dividends and interest on equity (Note 23.f)	301,256	42,944				344,200	-	-	-	-	-	-
Other payables (note 18)	2,768	-	55,697	46	-	58,511	11,844	-	23,836	-	-	35,680
	304,078	**49,493**	**77,598**	**87,355**	**-**	**518,524**	**11,862**	**6,174**	**83,676**	**37,936**	**-**	**139,648**
Non-current												
Other payables (note 18)	-	-	78,082	-	-	78,082		-	88,021	-	-	88,021
	-	**-**	**78,082**	**-**	**-**	**78,082**	**-**	**-**	**88,021**	**-**	**-**	**88,021**
	304,078	**49,493**	**155,680**	**87,355**	**-**	**596,606**	**11,862**	**6,174**	**171,697**	**37,936**	**-**	**227,669**

						12/31/2020						Consolidated 12/31/2019
	Parent Company	Asian Consortium	Joint Venture e Joint Operation	Other related parties	Exclusive funds	Total	Parent Company	Asian Consortium	Joint Venture e Joint Operation	Other related parties	Exclusive funds	Total
Operating income (expenses)												
Sales	1,845,577	1,463,190	-	5,809	-	3,314,576	1,086,783	1,344,977	-	5,200	-	2,436,960
Cost and expenses	(92,932)	(37,274)	(650,883)	(344,042)	-	(1,125,131)	(99,375)	(33,284)	(680,769)	(257,890)	-	(1,071,318)
Financial income (expenses)												
Interest, net	13,480	-	(13,608)	312	-	184			(14,939)	(4,805)	-	(19,744)
Exclusive funds	-	-	-	-	52	52	-	-	-	-	885	885
Exchange differences, net	-	-	-	-		-		-	-	48,228		48,228
	13,480	**-**	**(13,608)**	**312**	**52**	**236**	**-**	**-**	**(14,939)**	**43,423**	**885**	**29,369**
	1,766,125	**1,425,916**	**(664,491)**	**(337,921)**	**52**	**2,189,681**	**987,408**	**1,311,693**	**(695,708)**	**(209,267)**	**885**	**1,395,012**

							Parent Company							
							12/31/2020							12/31/2019
	Parent Company	Asian Consortium	subsidiaries	Joint Venture e Joint Operation	Other related parties	Exclusive funds	Total	Parent Company	Asian Consortium	subsidiaries	Joint Venture e Joint Operation	Other related parties	Exclusive funds	Total
Assets														
Current														
Financial investments	-	-	-	-	44	3,319	3,363	-	-	-	-	86	103,334	103,420
Trade receivables (Note 5)	1,043,925	95,390	-	-	3,251		1,142,566	586,015	123,437	-	-	4,905		714,357
Advances to suppliers (Note 8)	92,207	-	-	-	-	-	92,207	83,209	-	-	-	-	-	83,209
Dividends (Note 8)	-	-	-	19,039	-		19,039	-	-	-	22,272	-	-	22,272
Others (Note 8)	3,008	-	64	-	-	-	3,072	3,779	-	921	-	-	-	4,700
	1,139,140	**95,390**	**64**	**19,039**	**3,295**	**3,319**	**1,260,247**	**673,003**	**123,437**	**921**	**22,272**	**4,991**	**103,334**	**927,958**
Ativo Não Circulante														
Advances to suppliers (Note 8)	222,834	-	-	-	-		222,834	318,967	-	-	-	-	-	318,967
Others (Note 8)					12,016		12,016	-	-	-	-	13,714		13,714
	222,834	**-**	**-**	**-**	**12,016**	**-**	**234,850**	**318,967**	**-**	**-**	**-**	**13,714**	**-**	**332,681**
	1,361,974	**95,390**	**64**	**19,039**	**15,311**	**3,319**	**1,495,097**	**991,970**	**123,437**	**921**	**22,272**	**18,705**	**103,334**	**1,260,639**
Passivo														
Passivo circulante														
Trade payables	54	6,549	-	21,901	87,309	-	115,813	18	6,174	-	59,840	37,936	-	103,968
Dividends and interest on equity (Note 23.f)	301,256	42,944					344,200	-	-	-	-	-	-	-
Other payables (note 18)	2,768	-	-	55,697	-	-	58,465	11,844	-	-	23,836	-	-	35,680
	304,078	**49,493**	**-**	**77,598**	**87,309**	**-**	**518,478**	**11,862**	**6,174**	**-**	**83,676**	**37,936**	**-**	**139,648**
Passivo não circulante														
Other payables (note 18)	-	-	-	78,082	-	-	78,082		-	-	88,021	-	-	88,021
	-	**-**	**-**	**78,082**	**-**	**-**	**78,082**	**-**	**-**	**-**	**88,021**	**-**	**-**	**88,021**
	304,078	**49,493**	**-**	**155,680**	**87,309**	**-**	**596,560**	**11,862**	**6,174**	**-**	**171,697**	**37,936**	**-**	**227,669**

							Parent Company							
							12/31/2020							12/31/2019
	Parent Company	Asian Consortium	subsidiaries	Joint Venture e Joint Operation	Other related parties	Exclusive funds	Total	Parent Company	Asian Consortium	subsidiaries	Joint Venture e Joint Operation	Other related parties	Exclusive funds	Total
Operating income (expenses)														
Sales	1,845,577	1,463,190	-	-	5,809	-	3,314,576	1,086,783	1,344,977	-	-	5,200	-	2,436,960
Cost and expenses	(92,932)	(37,274)	-	(650,883)	(344,042)	-	(1,125,131)	(99,375)	(33,284)	(10,229)	(680,769)	(257,890)	-	(1,081,547)
Financial income (expenses)														
Interest, net	13,480	-	-	(13,608)	312	-	184				(14,939)	(4,805)	-	(19,744)
Exclusive funds	-	-	-	-	-	52	52	-	-	-	-	-	885	885
Exchange differences, net	-	-	595	-	-		595		-	(49)	-	48,228		48,179
	13,480	**-**	**595**	**(13,608)**	**312**	**52**	**831**	**-**	**-**	**(49)**	**(14,939)**	**43,423**	**885**	**29,320**
	1,766,125	**1,425,916**	**595**	**(664,491)**	**(337,921)**	**52**	**2,190,276**	**987,408**	**1,311,693**	**(10,278)**	**(695,708)**	**(209,267)**	**885**	**1,384,734**

- **Comments about the main transactions and related-party balances.**

CSN Group

<u>Financial Investments</u>: investments in public securities - LFT - National Treasury Bills, managed by CSN exclusive funds.

<u>Trade receivables:</u> The Company sells iron ore in the domestic market to CSN and to companies that are part of the Asian Consortium under a long-term agreement. These agreements provide for the charging of a price based on indexes commonly adopted in the iron ore market.

<u>Advances to suppliers</u>: on October 16, 2019 the Company advanced, to CSN, the amount of US100.00 million, equivalent to R$ 414.8 million on December 31, 2019, with an interest rate set at 125% of the CDI, for the payment of the administrative cost share for 5 years. On December 31, 2020 the balance of the contract was R$315.041 (R$402.000 on December 31, 2019).

<u>Dividends:</u> minimum mandatory dividends to be received for participation in MRS, in the amount of R$19.039 (R$22.272 on December 31, 2019)

<u>Trade payables:</u> The Company entered into a long-term railroad transportation service agreement for shipment and movement of the production. The obligations assumed and the amounts involved are detailed in Note 29. The prices charged to MRS follow a tariff model based on market assumptions.

<u>Other payables:</u> in September the Company entered in an agreement to review the volumes of Annual Plan of Transportation (PAT), which will result in a payment of an indemnification of R$120 million at present value. The payment will occur annually from 2019 until 2026.

<u>Cost and expenses</u>: The Company has contracts for the purchase of iron ore in the domestic market of companies of the CSN group, the contracts provide for the charging of a price based on indexes commonly adopted in the iron ore market.

The Company also has a marketing advisory agreement to obtain strategic information on the international iron ore market signed of the Asian Consortium's member.

12.c) Other unconsolidated related parties

- **CBS Previdência**

The Company is its main sponsor, being CBS Previdência a non-profit civil society established in July 1960, primarily engaged in the payment of benefits that supplement the official government Social Security benefits to participants. In its capacity as sponsor, carries out transactions involving the payment of contributions and recognition of actuarial liabilities calculated in defined benefit plans, as detailed in note 28.

- **Fundação CSN**

Nowadays, the Company develops socially responsible policies concentrated in Fundação CSN, of which it is the founder. The transactions between the parties are related to the operational and financial support for Fundação CSN to conduct the social projects, developed mainly in the localities where the Company operates.

12.d) Key management personnel

The key management personnel with authority and responsibility for planning, directing and controlling the Company's activities, include the members of the Board of Directors and statutory directors.

The following is information on the compensation of such personnel and the related balances as of December 31, 2020 and 2019

	P&L	
	12/31/2020	12/31/2019
Short-term benefits for employees and officers	6,626	7,262
Post-employment benefits	202	199
Total	6,828	7,461

13. BORROWINGS AND FINANCING

The balances of borrowings and financing, which are carried at amortized cost, are as follows:

	Consolidated and Parent Company			
	Current liabilities		Non-current liabilities	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Debt agreements in the international market				
Fixed interest in:				
US$				
FINAME, CDC e CCE	7,402	-	20,835	-
Prepayment	1,142	920	389,753	201,535
	8,544	**920**	**410,588**	**201,535**
Debt agreements in Brazil				
Variable interest in:				
R$				
NCE - Banco do Brasil	575	7,953	846,284	1,176,295
Fixed interest in:				
R$				
FINAME, CDC e CCE	38,919	37,381	30,430	68,887
	39,494	**45,334**	**876,714**	**1,245,182**
Total borrowings and financing	**48,038**	**46,254**	**1,287,302**	**1,446,717**
Transaction costs and issue premiums	(3,024)	(2,907)	(7,302)	(10,081)
Total Borrowings + Transaction Costs	**45,014**	**43,347**	**1,280,000**	**1,436,636**

The export credit notes (NCE) have maturities scheduled from 2021 to 2024.

On October 2020, the Company amortized R$331 million in NCEs related to maturities that would occur during the year.

The following table shows the average interest rate:

	Consolidated and Parent Company	
	Average interest rate	Total debt
US$	2.64%	419,132
R$	2.99%	916,208
		1,335,340

- **Maturities of Borrowing and Financing presented in non-current liabilities.**

As at December 31, 2020, the principal amount of long-term borrowings by maturity year, adjusted for interest and inflation, is as follows:

		Consolidated and Parent Company	
			12/31/2020
			Principal
	Borrowings and financing in foreign currency	Borrowings and financing in nacional currency	Total
2021	8,544	39,494	48,038
2022	7,324	327,082	334,406
2023	397,077	349,922	746,999
2024	6,187	199,710	205,897
	419,132	**916,208**	**1,335,340**

- **Movement of borrowings and financing**

The table below shows the borrowings and financing capitalized and amortized, during the exercise:

	Consolidated and Parent Company	
	12/31/2020	12/31/2019
Opening balance	**1,479,983**	**2,783,047**
Funding transactions	161,012	310,052
Amortization of principal	(374,668)	(1,524,353)
Payments of charges	(56,990)	(141,250)
Accrued charges	55,849	107,428
Exchange differences	56,803	(55,828)
Transaction cost	(265)	(889)
Others	3,290	1,776
Closing balance	**1,325,014**	**1,479,983**

- **Covenants**

The Company's borrowing agreements provide for the fulfillment of certain non-financial obligations, as well as the maintenance of certain parameters and performance indicators, such as the publication of its audited financial statements within the regulatory terms or payment of commission for assumption of risks if the indicator of net debt to EBITDA reaches the levels set out in such agreements. Until now, the Company is in compliance with all financial and non-financial obligations (covenants) of its current contracts.

The agreements entered into with FINAME, CDC e CCE are collateralized by the financed assets.

14. FINANCIAL INSTRUMENTS

	Consolidated		Parent Company	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Trade payables	1,602,699	825,571	1,604,065	826,374
(-) Present Value Adjustment	(42,602)	-	(42,602)	-
Total	**1,560,097**	**825,571**	**1,561,463**	**826,374**
Current	1,393,323	825,571	1,394,689	826,374
Noncurrent	166,774	-	166,774	-
Total	**1,560,097**	**825,571**	**1,561,463**	**826,374**

They are charged at fair value, and subsequently measured at amortized cost, using the effective interest rate method and brought to present value when applicable in the transaction data, based on the estimated rate of the Company's cost of capital.

15. FINANCIAL INSTRUMENTS

15.a) - Identification and measurement of financial instruments

The Company enters into transactions involving various financial instruments, mainly cash and cash equivalents, including short-term investments, marketable securities, trade receivables, trade payables, and borrowings.

Considering the nature of these instruments, their fair value is basically determined using quotations in the Brazilian money market and Commodities and Futures Exchange. The amounts recorded in current assets and current liabilities have immediate liquidity or short-term maturity, mostly less than three months. Considering the maturities and features of such instruments, their carrying amounts approximate their fair values.

The accounting information on financial instruments is presented based on consolidated data.

- **Classification of financial instruments (consolidated)**

With the implementation of pronouncements CPC 48/ IFRS9, the classification of financial instruments: held to maturity, loans and receivables and available for sale were replaced by three categories of classification and measurement of financial instruments: amortized cost, fair value through other comprehensive income (VJORA) and fair value through profit or loss (VJR).

The Company measured and classified its financial instruments in the amortized cost category, as shown in the table below.

				12/31/2020	12/31/2019
	Note	Fair value through profit or loss	Measured at amortized cost	Total	Measured at amortized cost
Assets					
Current					
Cash and cash equivalents	3	-	2,972,521	2,972,521	428,077
Financial investments	4	-	1,425	1,425	36,132
Trade receivables	5	-	2,825,734	2,825,734	1,434,073
Dividends	12.b	-	19,039	19,039	22,272
Total		**-**	**5,818,719**	**5,818,719**	**1,920,554**
Liabilities					
Current					
Borrowings and financing	13	-	48,038	48,038	46,254
Leases	18.a	-	7,741	7,741	3,886
Trade payables	14	-	1,393,323	1,393,323	825,571
Derivative financial instruments (*)		893	-	893	-
Interest on equity	12.b	-	344,200	344,200	-
Non current					
Borrowings and financing	13	-	1,287,302	1,287,302	1,446,717
Trade payables	14	-	166,774	166,774	-
Leases	18.a	-	74,360	74,360	82,076
Total		**893**	**3,321,738**	**3,322,631**	**2,404,504**

(*) The derivative financial instrument was designated as a cash flow hedge and, accordingly, the amounts related to the highly probable future shippings of iron ore is recognized as Other Comprehensive Income, in the net equity, and are reclassified to income at the moment the future transactions occur (for further details see Item 15.b below). As of December 31, 2020, the amount recognized in Other Comprehensive Income was R$893.

- **Fair value measurement**

The financial instruments recognized at fair value through profit or loss classifying them according to the fair value hierarchy:

Level 2: Includes observable inputs in market such as interest rates, exchange etc., but not prices traded in active markets.

There are no assets and liabilities classified as levels 1 and 3.

15.b) – Financial risk management:

The Company follows the risk management policy of its controlling shareholder CSN. Pursuant to this policy, the nature and the general position of financial risks are regularly monitored and managed in order to assess the results and the financial impact on cash flow. The credit limits of counterparties are also periodically reviewed.

Under this policy, market risks are hedged when it is considered necessary to support the corporate strategy or when it is necessary to maintain a level of financial flexibility.

The Company believes it is exposed to exchange rate risk and to liquidity risk.

The Company's risk policy prohibits any speculative deals or short sales.

- **Foreign exchange rate risk**

The exposure arises from the existence of assets and liabilities generated in Dollar or Euro, since the Company's functional currency is substantially the Real and is denominated natural hedge. As at December 31, 2020, Management did not consider necessary to enter into derivative transactions or to adopt hedge accounting. The consolidated exposure as at December 31, 2020 is as follows:

Foreign Exchange Exposure	12/31/2020 (Amounts in US$'000)	(Amounts in €'000)
Cash and cash equivalents overseas	294,511	1,087
Trade receivables - foreign market	357,974	-
Other assets	86	504
Total assets	**652,571**	**1,591**
Trade payables	(7,143)	-
Borrowings	(80,653)	-
Other liabilities	(1,512)	(856)
Total liabilities	**(89,308)**	**(856)**
Natural exposure	**563,263**	**735**

The interest risk arises from short and long-term liabilities with fixed or floating interest rates (note 13).

- **Sensitivity analysis**

We present below the sensitivity analysis for foreign exchange risks. The Company considered scenarios 1 and 2 as 25% and 50% of deterioration for volatility of the currency, using as reference the closing exchange rate as of December 31, 2020.

The currencies used in the sensitivity analysis and its scenarios are shown below:

			12/31/2020	
Currency	**Exchange rate**	**Probable scenario**	**Scenario 1**	**Scenario 2**
USD	5.1967	5.2617	6.4959	7.7951
EUR	6.3779	6.3867	7.9724	9.5669

The effects on income statement, considering scenarios 1 and 2 are shown below:

					12/31/2020
Instruments	**Notional amount**	**Risk**	**Probable scenario (*)**	**Scenario 1**	**Scenario 2**
Natural exposure	543,526	Dollar	3,098	766,467	1,532,934
Natural exposure	219	Euro	(1)	362	724

(*) The probable sceneries were calculated considering the quotation from Central Bank of Brazil and Central Bank of Europe on Jan 14,2021.

- **Sensitivity analysis of changes in interest rates**

This risk arises from short-term and long-term financial investments, loans and financing tied to the pre-fixed and post-fixed interest rates of the CDI, TJLP and Libor, exposing these financial assets and liabilities to interest rate fluctuations as shown in the table sensitivity analysis to follow

			12/31/2020
Interest	**Interest rate**	**Scenario 1**	**Scenario 2**
CDI	1.90%	2.38%	2.85%
TJLP	4.55%	5.69%	6.83%
Libor	0.26%	0.32%	0.39%

The Company considered scenarios 1 and 2 as 25% and 50% of changes in interest volatility as of December 31, 2020.

				Impact on profit or loss		12/31/2020
Changes in interest rates	%p.y	Notional amount (R$ mil)		Probable scenario (*)	Scenario 1	Scenario 2
		Assets	Liabilities			
CDI	1.90	587,929	(1,179,616)	(760)	(2,811)	(5,622)
TJLP	4.91		(8,731)	(27)	(107)	(214)
Libor	0.26		(282,035)	(2,713)	(183)	(366)

(*) The sensitivity analysis is based on the assumption of maintaining, as a probable scenario, the market values as of December 31, 2020 recognized in the company's assets and liabilities

- **Market price risk:**

The Company is also exposed to market risks related to volatility of commodity prices and other materials. Based on the risk management policies, risk mitigation strategies with commodities may be used to reduce cash flows volatility. Those strategies may consider derivative instruments, predominantly forward transactions, futures and options instruments.

CSN Mineração uses instruments to hedge the risk of *Platts* fluctuations, as shown in the topic below.

- **Portfolio of derivative financial instruments**

Cash flow hedge accounting– "Platts Index""

As of December 30, 2020, the Company has derivative transactions with the purpose of reducing the volatility of its exposure to iron ore price fluctuations, with maturities throughout 2021. The Company opted to formally designate the hedge and, accordingly, adopted the cash flow hedge accounting. The table below shows the losses recognized from the derivative instrument as of December 31, 2020 in Other Comprehensive Income and, upon realization of the sales of iron ore, the amount reclassified to Other Operating Income and Expenses:

		12/31/2020					12/31/2020
		Appreciation (R$)		Fair value (market)			
Maturity	Notional	Asset position	Liability position	Amounts receivable / (payable)	Other operating (expenses)/ income	Other comprehensive income	Exchange variation
9/02/2020 (Settled)	Platts	n/a	n/a	n/a	(31,678)	-	(136)
10/02/2020 (Settled)	Platts	n/a	n/a	n/a	(132,997)	-	(9,051)
11/04/2020 (Settled)	Platts	n/a	n/a	n/a	(85,164)	-	(7,301)
12/02/2020 (Settled)	Platts	n/a	n/a	n/a	(33,310)	-	52
2/02/2021	Platts	486,852	(493,925)	(7,073)	-	(6,888)	(185)
3/02/2021	Platts	527,684	(521,504)	6,180	-	6,063	117
		1,014,536	**(1,015,429)**	**(893)**	**(283,149)**	**(825)**	**(16,504)**

The Company opted for adopting hedge accounting to better reflect in the financial statements its strategy behind the derivative instrument entered into. Accordingly, the derivative financial instrument used to fix the Platts index to be applied to the designated highly probable future sales was designated as the hedge instrument, while the highly probable future iron ore sales were designated as the hedged item. The difference between the fixed Platts indexes of the hedge instrument and the Platts index of the SGX Futures Exchange for each period determined in the derivative contract is recognized as Other Comprehensive Income, in the net equity, and reclassified to income when the sales occur.

The Company prepared a formal documentation to support the hedge designation and its alignment with the risk management strategy, identifying the hedge instruments used, the hedged items, the risks being hedged, as well as the hedge effectiveness expected. The hedge transactions were approved by the Board of Directors. The Company permanently monitors the hedge effectiveness using the prospective and the retroactive methods established in IAS 39, comparing the designated amounts with those approved and expected in the budgets and forecasts prepared by management.

With the cash flow hedge accounting of the Platts index, gains or losses raised by the Platts volatility included in the derivative instrument do not affect the results immediately, but upon shipment of the highly probable future sales designated as hedged items.

The amount recognized as Other Comprehensive Income, in the net equity, as of December 31, 2020 was R$825 as shown in the table above and referred to shipments to be realized in January and February 2021, which financial settlement will occur on, February 2,2021, and March 2, 2021, respectively.

The hedge has been fully effective since its inception.

The changes in the amounts related to the cash flow hedge designation in the net equity as of December 31, 2020 are as follows:

	12/31/2019	Movement	Realization	12/31/2020
Cash flow hedge accounting – "Platts"	-	283,974	(283,149)	825
Income tax and social contribution on cash flow hedge accounting	-	(96,551)	96,271	(280)
Fair Value of cash flow accounting - Platts, net	**-**	**187,423**	**(186,878)**	**545**

- **Sensitivity analysis of changes in the "*Platts*" index**

Below we present the sensitivity analysis for price risks. The Company considers scenarios 1 and 2 to be a 25% and 50% increase in the Platts index based on the closing price on December 31, 2020.

The effects on the result, considering scenarios 1 and 2 are shown below:

			12/31/2020
Maturity	**Probable scenario (*)**	**Scenario 1**	**Scenario 2**
2/2/2021	(33,677)	(120,262)	(240,524)
2/03/2021	(43,144)	(127,915)	(255,830)

(*) The probable scenario was calculated considering the Platts index on January 14, 2021 for the maturities on February 2, 2021 and Mach 2, 2021. Source: Bloomberg.

- **Credit risk**

The exposure to credit risks of financial institutions complies with the parameters established in the financial policy

With respect to financial investments, the Company only makes investments in institutions with low credit risk rated by rating agencies. Since part of the funds is invested in repo operations that are backed by Brazilian government bonds, there is also exposure to the credit risk of the Brazilian State.

The Company has not exposure to credit risk in accounts receivable and other receivables, since its operations have financial guarantees.

- **Liquidity risk**

It is the risk that the Company may not have sufficient net funds to honor its financial commitments as a result of mismatching of terms or volumes between scheduled receipts and payments.

To manage cash liquidity in domestic and foreign currency, assumptions of future disbursements and receipts are established and daily monitored by the treasury area of CSN. The payment schedules for the long-term portions of borrowings and financing are recovered in note 13 - borrowings and financing.

The following table shows the contractual maturities of financial liabilities, including accrued interest.

	Less than one year	Between one and two years	between three and five years	Over five years	Total
At December 31, 2020					
Borrowings	48,038	1,081,405	205,897	-	1,335,340
Leases	7,741	12,600	15,505	46,255	82,101
Derivative financial instruments	893	-	-	-	893
Trade payables	1,393,323	128,553	32,517	5,704	1,560,097
Interest on equity	344,200	-	-	-	344,200
At December 31, 2019					
Borrowings	46,254	897,807	548,910	-	1,492,971
Trade payables	825,571	-	-	-	825,571
Leases	3,886	2,544	3,524	76,008	85,962

15.c) - Capital Management

The Company seeks to optimize its capital structure in order to reduce its financial costs and maximize the return to its shareholders. The table below shows the evolution of the Company's capital structure, with financing by equity and third-party capital:

	12/31/2020	12/31/2019
Shareholders' equity	10,601,697	9,357,537
Borrowings and financing	1,325,014	1,479,983
Gross debts/shareholders' equity	0.12	0.16

15.d) - Fair values of assets and liabilities as compared to their carrying amounts

Financial assets and liabilities at fair value through profit or loss are recognized in current and non-current assets and liabilities, and any gains and losses are recognized as financial income or financial costs, respectively.

The amounts are recognized in the financial statements at their carrying amounts, which are substantially similar to those that would be obtained if they were traded in the market. The fair values of other long-term assets and liabilities do not differ significantly from their carrying amounts.

16. TAXES PAYABLES

	Consolidated		Parent Company	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Taxes in installments (Note 20)	34,392	8,554	34,392	8,554
Income tax and social contribution	1,484,072	312,647	1,478,951	308,577
CFEM/TFRM	100,770	70,342	100,770	70,342
State VAT (ICMS)	22,142	5,857	22,142	5,857
Service tax	524	1,081	524	1,081
Other taxes (1)	68,584	5,613	68,161	5,352
Total	**1,710,484**	**404,094**	**1,704,940**	**399,763**

1-Refers to the income tax withheld at source on interest on equity decided on December 23, 2020, the tax was paid on January 6, 2021.

In 2020, the Company opted for real profit with payment of income tax and social contribution by monthly estimate, with adjustment in the first quarter of 2021.

17. ADVANCES FROM CUSTOMERS

	Consolidated		Parent Company	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Iron ore	2,514,815	2,524,826	2,514,815	2,524,826
Maritime freight	81,403	12,859	81,403	12,859
Others	10,535	2,738	10,535	261
Total	**2,606,753**	**2,540,423**	**2,606,753**	**2,537,946**
Current	884,472	699,494	884,472	697,017
Noncurrent	1,722,281	1,840,929.00	1,722,281	1,840,929
Total	**2,606,753**	**2,540,423**	**2,606,753**	**2,537,946**

Iron ore: During 2019, the Company concluded a contract with an important international player for the supply of approximately 22 million tons of iron ore and an additive for the additional supply of 11 million tons of iron ore. The Company received, in advance, the amounts of US$496 million (R$1,951,303) and US$250 million (R$956,440) on March 29, 2019 and August 5, 2019, respectively. The term for the execution of the contracted volumes is 5 years.

On July 20, 2020, the Company concluded the contract for the additional supply of approximately 4 million tons of iron ore, and the amount received in advance, on August 28, 2020, was US$ 115 million (R$629 million). The term for the execution of the contract is 3 years.

Maritime freight: refers to freight and marine insurance revenue from CIF/CFR sales already received but still unrecognized, since as determined in CPC 47, those sales are subject to a distinct performance obligation which had not been completed on December 31, 2020.

The advances balances will be recognized as operating revenue in accordance with the expected shipments, as shown below:

				Consolidated
	Less than one year	Between one and two years	Over two years	TOTAL
Iron ore	792,534	943,640	778,641	2,514,815
Maritime freight	81,403	-	-	81,403
Others	10,535	-	-	10,535
	884,472	**943,640**	**778,641**	**2,606,753**

18. OTHER PAYABLES

	Consolidated		Parent Company	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Taxes in installments (Note 20)	158,744	65,428	158,744	65,428
Profit sharing - employees	32,259	38,868	31,711	38,336
Demurrage / Dispatch with third parties	9,906	16,201	8,806	14,470
Other payables - related parties (Note 12.b)	136,593	123,701	136,547	123,701
Accrued supplies	32,352	30,405	29,641	29,490
Leases liabilities (Note 18.a)	82,101	85,962	82,101	85,962
Derivative financial instruments (Note 15.b)	893	-	893	-
Other obligations	11,761	12,078	11,686	12,078
Total	**464,609**	**372,643**	**460,129**	**369,465**
Current	146,802	133,117	142,322	129,939
Noncurrent	317,807	239,526	317,807	239,526
Total	**464,609**	**372,643**	**460,129**	**369,465**

18.a) Leases liabilities

The lease liabilities are presented in financial statement as follows:

	Consolidated and Parent Company	
	12/31/2020	12/31/2019
Leases	197,526	208,063
NPV - leases	(115,425)	(122,101)
	82,101	**85,962**
Current	7,741	3,886
Noncurrent	74,360	82,076
Total	**82,101**	**85,962**

The Company adopted IFRS 16/CPC 06(R2) as of January 1, 2019, using the modified retrospective approach that does not require the presentation of comparative balances. As a result of adopting IFRS 16/CPC 06(R2), the Company changed the accounting policy for lease agreements.

The Company has lease agreements for port terminals in Itaguaí, the Cargo Terminal - TECAR, used for the loading and unloading of iron ores, the agreements have a remaining term of 27 years.

Additionally, the Company has property lease agreements, used as operational facilities, with remaining terms of 2 years.

The present value of future obligations was measured using the implicit rate observed in the contracts, for contracts that did not have a rate, the Company applied the incremental rate of loans - IBR, both in nominal terms, according to the guidelines of Circular Letter / CVM / SNC / SEP No. 02/2019. During the year ended December 31, 2020, the Company evaluated and applied the measurement of lease liabilities and right to use in new contracts with a 5-year term using a rate of 8.28% per year.

Changes in lease liabilities for the period ended December 31, 2020 are shown in the table below.

	Consolidated and Parent Company	
	12/31/2020	**12/31/2019**
Opening balance	**85,962**	**32,861**
Remeasurement	8,600	19,681
NPV - remeasurement	(289)	(9,904)
Leases remeasurement	(744)	54,123
Payments	(18,375)	(17,809)
Interest	6,947	7,010
Closing balance	**82,101**	**85,962**

The minimum future payments estimated to leasing agreements include variable payments, essentially fixed when based on minimum performance and contractually fixed rates.

As of December 31, 2020, are as follows:

	Consolidated and Parent Company			
	Less than one year	**Between one and five years**	**Over five years**	**Total**
Leases	8,065	37,029	152,432	197,526
VPL - leases	(324)	(8,925)	(106,176)	(115,425)
	7,741	**28,104**	**46,256**	**82,101**

• PIS and Cofins recoverable

Lease liabilities were measured at the amount of consideration with suppliers, that is, without considering the tax credits incurred after payment. We show below the potential right of PIS and Cofins embedded in the lease liability.

	Consolidated and Parent Company
	12/31/2020
Leases	197,526
Present value adjustment - Leases	(115,425)
Potencial PIS and COFINS credit	18,271
Present value adjustment – Potential PIS and COFINS credit	(10,677)

- **Payments of leases not recognized as liabilities:**

The Company chose not to recognize lease liabilities in contracts with a maturity of less than twelve months and for assets with low value. The realized payments to these contracts are recognized as expenses, when incurred.

The Company has lease agreement for the use of port (TECAR), even if they establish minimum performance, cannot determine their cash flow since these payments are fully variable and will only be known when they occur. In such cases, payments will be recognized as expenses when incurred

Expenses related to payments not included in the measurement of a lease liability during the actual exercise are:

	Consolidated and Parent Company	
	12/31/2020	12/31/2019
Short-term leases	549	10,552
Assets of lower value	4,426	2,416
Variable lease payments	253,391	162,673
	258,366	**175,641**

In accordance with the guidelines of IFRS 16/ CPC 06(R2), the Company uses the discounted cash flow technique to measure and remeasure liabilities and right to use, without considering the projected inflation in the flows to be discounted.

Considering Circular Letter / CVM / SNC / SEP No. 02/2019, the Company discloses below the comparative balances of lease liabilities, right to use, financial expenses and depreciation expenses with the use of rates in real terms to discount a present value of flows also in real terms.

				Consolidated
	12/31/2020			12/31/2019
	Rate in nominal terms and actual flow	Rate and actual flow in termos nominais	Rate in nominal terms and actual flow	Rate and actual flow in termos nominais
Lease Liability	82,101	110,034	85,962	124,348
Right of net use	82,717	104,372	88,806	129,080
Financial expenses	(6,588)	(8,718)	(6,635)	(9,829)
Depreciation	(12,427)	(13,289)	(11,947)	(13,103)

To measure the balances using the rate in real terms, the inflation projection (IPCA) released by the Central Bank of Brazil was used.

19. INCOME TAX AND SOCIAL CONTRIBUTION

19.a) Income tax and social contribution recognized in profit or loss

The income tax and social contribution recognized in profit or loss for the year are as follows:

	Consolidated		Parenty Company	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Income tax and social contribution (expense) income				
Current	(1,755,312)	(1,485,652)	(1,744,251)	(1,470,565)
Deferred	(3,975)	(45,290)	(3,975)	(45,290)
	(1,759,287)	**(1,530,942)**	**(1,748,226)**	**(1,515,855)**

The reconciliation of consolidated and parent company income tax and social contribution expenses and the result from applying the effective rate to profit before income tax and social contribution are as follows:

	Consolidated	
	12/31/2020	12/31/2019
Profit before income tax and social contribution	**5,789,997**	**5,195,205**
Tax rate	34%	34%
Income tax and social contribution at combined statutory rate	**(1,968,599)**	**(1,766,370)**
Adjustments to reflect the effective rate:		
Interest on equity	137,680	177,190
Share of profit (loss) of investees	20,495	22,762
Other permanent deductions (add-backs)	(12,664)	5,268
Profit with differentiated rates or untaxed	6,362	(1,296)
Transfer price adjustment	-	(6,556)
Incentivated donations	57,439	38,060
Income tax and social contribution for the period	**(1,759,287)**	**(1,530,942)**
Effective tax rate	**30.38%**	**29.47%**

	Parenty Company	
	12/31/2020	12/31/2019
Profit before income tax and social contribution	**5,778,936**	**5,180,118**
Tax rate	34%	34%
Income tax and social contribution at combined statutory rate	**(1,964,838)**	**(1,761,240)**
Adjustments to reflect the effective rate:		
Interest on equity	137,680	177,190
Share of profit (loss) of investees	34,158	31,424
Other permanent deductions (add-backs)	(12,665)	5,267
Transfer price adjustment	-	(6,556)
Incentivated donations	57,439	38,060
Income tax and social contribution for the period	**(1,748,226)**	**(1,515,855)**
Effective tax rate	**30.25%**	**29.26%**

19.b) Deferred income tax and social contribution:

The deferred income tax and social contribution are calculated on income tax loss carryforwards and the corresponding temporary differences between the tax bases of assets and liabilities and the carrying amounts of the financial statements.

	Consolidated and Parent Company			
	Opening balance	Movement		Closing balance
	12/31/2019	Comprehensive Income	Profit or loss	12/31/2020
Deferred tax liabilities				-
Temporary differences	**433,485**	**(997)**	**3,975**	**436,463**
- Provision for tax, social security, labor and civil risks	(22,699)	-	1,408	(21,291)
- Provision for environmental liabilities	(12,837)	-	6,042	(6,795)
- Estimated losses on assets	(23,475)	-	929	(22,546)
- Estimated losses on inventories	(16,707)	-	1,906	(14,801)
- Actuarial liability (pension and healthcare plan)	2,450	(717)	-	1,733
- Accrued supplies and services	(10,107)	-	(10,872)	(20,979)
- Estimated losses on doubtful debts	(775)	-	100	(675)
- Provision for A.R.O	(14,469)	-	(38,420)	(52,889)
- Business combination Mining	301,348	-	(8,292)	293,056
- Unrealized exchange variations	1,553	-	(1,553)	-
- Provision for covenants	-	(280)	-	(280)
- Tax benefit from amortization of goodwill	229,096	-	57,275	286,371
- Adjustment to present value(1)	18,110	-	(3,967)	14,143
- Others	(18,003)	-	(581)	(18,584)
Noncurrent liabilities	**433,485**	**(997)**	**3,975**	**436,463**

1- Adjustment to present value recognized in the agreement to revise the volumes of the Annual Transportation Plan (PAT) with MRS.

The Management evaluated the precepts of IFRIC 23 - "Uncertainties Over Income Tax Treatments" and considers there aren't reasons for the tax authorities to differ from the tax positions adopted by the Company. Accordingly, no additional provisions for income tax and social contribution were recognized as a result of the assessment of the application of IFRIC 23 in the financial statement at December 31, 2020.

20. TAXES IN INSTALLMENTS

The position of the REFIS debts and other tax installments payment plans, recorded in tax obligations and other obligations, in current and non-current liabilities, as mentioned in Note 16 and 18, is as follows:

	Consolidated and Parent Company	
	12/31/2020	12/31/2019
Federal REFIS Law 11,941/09 (1)	17,573	19,195
Federal REFIS Law 12,865/13 (2)	49,516	54,787
Ordinary installment	126,047	-
	193,136	**73,982**
Current	34,392	8,554
Noncurrent	158,744	65,428
Total	**193,136**	**73,982**

1. Debits related to the tax installment payment program introduced by Law 11941/2009, due to the reopening of the terms for adhesion brought by Laws 12865/13 and 12996/14.
2. Debits arising from the tax installment payment program introduced by article 40 of Law 12865/13 related to debits of IRPJ and CSLL levied on profits of foreign subsidiaries in calendar years from 2009 to 2012, due to the adoption of article 74 of MP 2.158-35/2001.

21. PROVISION FOR TAX, SOCIAL SECURITY, LABOR, CIVIL AND ENVIRONMENTAL RISKS AND JUDICIAL DEPOSITS

Claims of different nature are being challenged at the appropriate courts. Details of the accrued amounts and related judicial deposits are as follows:

	Parent Company and Consolidated			
	Accrued liabilities	Judicial deposits(*)	Accrued liabilities	Judicial deposits(*)
	12/31/2020	12/31/2020	12/31/2019	12/31/2019
Tax	1,404	-	1,939	-
Labor	53,499	33,254	47,343	32,214
Civil	5,642	3,956	10,535	9,277
Environmental	2,072	1,483	6,941	1,470
Total	**62,617**	**38,693**	**66,758**	**42,961**
Current	7,878	38,693	4,080	42,961
Noncurrent	54,739	-	62,678	-
Total	**62,617**	**38,693**	**66,758**	**42,961**

(*) The judicial deposits are allocated in the balance sheet under “Other noncurrent assets” – see note 8.

The changes in the provision for tax, social security, labor, civil and environmental risks in the year ended December 31, 2020 were as follows:

Consolidated and Parent Company					
Nature	12/31/2019	Additions	Net update on amount	Net utilization of reversal	12/31/2020
Tax	1,939	1,002	162	(1,699)	1,404
Labor	47,343	8,120	10,572	(12,536)	53,499
Civil	10,535	4,579	90	(9,562)	5,642
Environmental	6,941	2	215	(5,086)	2,072
	66,758	**13,703**	**11,039**	**(28,883)**	**62,617**

The provision for tax, social security, labor, civil and environmental liabilities was estimated by Management and is mainly based on the legal counsel’s assessment. Only proceedings for which the risk is classified as probable loss are provisioned.

Furthermore, the Company has other lawsuits classified by the legal counsel as possible loss, therefore represent present obligations whose outflow of resources is not probable, fort which as at December 31, 2020, totaled R$8,068,188 (R$6,597,872 at December 31, 2019), of which R$315,702 in labor lawsuits (R$295,908 at December 31, 2019), R$36,014 in civil lawsuits (R$38,760 at December 31, 2019), R$7,670,716 in tax lawsuits (R$6,222,132 at December 31, 2019) and R$45,756 in environmental lawsuits (R$41,072 at December 31, 2019).

We present below a brief description of the main legal matters with possible risk of loss:

Main lawsuits	12/31/2020	12/31/2019
Tax Deficiency Notice and Imposition of Fine (AIIM)- IRPJ/CSLL- Disallowance of deductions of goodwill generated on downstream merger of Big Jump into Namisa	3,930,093	3,867,663
Tax Deficiency Notice and Imposition of Fine (AIIM)-Withholding income tax - Mining Business Combinations in Nov 2015	862,324	-
Tax Deficiency Notice and Imposition of Fine (AIIM) - IRPJ/CSLL - Profits earned abroad 2008	384,140	374,543
CFEM- Administrative collections for alleged non-payment of CFEM (Financial Compensation for Exploration of Mineral Resources) due to differences in the tax base.	977,727	947,506
Tax Deficiency Notice - IRRF - Capital gain of the sellers of the company CFM located abroad	260,326	254,849
Other tax lawsuits (federa, state and municipal taxes)	1,256,106	777,571
Total	**7,670,716**	**6,222,132**

22. PROVISION FOR ENVIRONMENTAL LIABILITIES AND ASSET RETIREMENT OBLIGATIONS

The carrying amount of the provision for environmental liabilities and asset retirement obligation (ARO) are as follows:

	Consolidated and Parent Company	
	12/31/2020	12/31/2019
Environmental liabilities	14,043	28,328
Assets retirement	430,479	302,232
total	**444,522**	**330,560**

22.a) Environmental Liabilities

As at December 31, 2020, a provision is set up for expenditures relating to environmental investigation and remediation services for potential areas contaminated, degraded and in process of determination of Company responsibility in the State of Minas Gerais and Rio de Janeiro. Estimated expenditures are reviewed periodically by adjusting, whenever necessary, the amounts already recognized. These are Management's best estimates based on the environmental remediation studies and projects. This provision is recognized in the account of other operating expenses.

The provision is measured at the present value of the expenditures required to settle the obligation, using a rate that reflects current market assessments of the time, the value of money and the specific risks of the obligation. The increase in the obligation due to passage of time is recognized as other operating expenses.

Some contingent environmental liabilities are monitored by the environmental area and were not provisioned because their features do not meet the recognition criteria set out in CPC 25.

22.b) Asset retirement

In 2020, after to anticipate the discontinuity of the dams used in its mining activities, The Company updated the study to recognize the costs of deactivating the dams. The study resulted in an increase of the provision by R$121 million, mainly due to:

i) expansion of operational areas with the implementation of new technologies;
ii) revision of the dam de-characterization process and
iii) Applications of cost indices,

As a result, the balance of the provision for the deactivation assets was R$430,479 on December 31, 2020 (R$302,232 on December 31, 2019).

23. SHAREHOLDERS EQUITY

23.a) Paid-in capital

The Company's capital, fully subscribed and paid in, is R$6,103,872, divided into 181,001,902 registered common shares without par value. Each common share entitles to one vote in the resolutions of the General Meeting.

23.b) Authorized capital

The Company's bylaws in effect as of December 31, 2020 determine that the capital can be raised to up to 300.000.000 common shares by decision of the Board of Directors.

23.c) Capital Reserve

The capital reserve in the amount of R$ 141,723 refers to the surplus between the amount effectively paid by CSN in the amount of R$ 156,723 and the amount allocated to the capital in the amount of R$ 15,000.

23.d) Legal reserve

This reserve is recognized at the rate of 5% of the profit for each period, as provided for by Article 193 of Law 6,404/76, up to the ceiling of 20% of share capital.

23.e) Ownership structure

As of December 31, 2020, and 2019, the Company's ownership structure was as follows:

	Number of common shares	%
Companhia Siderurgica Nacional	158,419,480	87.52370%
Japão Brasil Minério de Ferrro Participações	18,178,466	10.04320%
Pohang Iron and Steel Company	3,658,394	2.02120%
China Steel Corporation	745,562	0.41190%
	181,001,902	**100.0000%**

23.f) Dividends

The Company approved, at meetings of the Board of Directors, during the year ended 2020 and 2019, the distribution of interim dividends based on retained earnings in recent years, current year earnings and the payment of interest on equity, as follows:

				Parent Company
	Earnings for the past few years	**Current year earnings**	**Interest on equity**	**Per share**
July 16, 2020	1,080,000	-	-	5.966788128
October 15, 2020	78,759	1,221,241	-	7.182244969
December 23, 2020	-	-	404,941	2.237219585
Amount distributed in 2020	**1,158,759**	**1,221,241**	**404,941**	

				Parent Company
	Earnings for the past few years	**Current year earnings**	**Interest on equity**	**Per share**
April, 01 2019	756,558	-	-	4.178383861
May 24, 2019	1,018,000	-	-	5.624250291
July 18, 2019	839,120	-	-	4.635973380
September 12, 2019	-	837,959	-	4.629558362
September 12, 2019	-	-	388,041	2.143851104
November 4, 2019	366,895	-	-	2.027021658
November 4, 2019	-	-	133,105	0.735379013
December 19, 2019	300,000	-	-	1.657441147
Amount distributed in 2019	**3,280,573**	**837,959**	**521,146**	

The interest on equity approved at December 23, 2020 will be paid on January 12, 2021.

The Company proposed the allocation of profits, which will be decided at the Annual General Meeting. The table below shows the amounts of the proposal:

	12/31/2020	12/31/2019
Profit (loss) for the year	**4,030,710**	**3,664,263**
Legal reserve	(201,536)	(183,213)
Investment reserve	(1,914,587)	(1,740,525)
Anticipated dividends and interest on equity	(1,626,182)	(1,359,105)
Proposed additional dividends	(288,405)	(381,420)

23.g) Earnings per share

Basic earnings per share were calculated based on the profit/loss attributable to the owners divided by the weighted average number of common shares outstanding during the year. The Company does not hold treasury shares. The earning per share was calculated as follows:

	Parenty Company	
	12/31/2020	12/31/2019
	Common shares	Common shares
Profit/(loss) for the year		
Attributable to the owners of the Parent Company	4,030,710	3,664,263
Weighted average number of shares	181,002	181,002
Basic and diluted earnings (loss) per share	22.2689	20.2443

23.h) Other comprehensive income and equity measure adjustments

The other comprehensive income consists basically of the actuarial adjustments in the post-employment benefit and cash flow hedge accounting that are not charged directly to income.

The equity measure adjustments result from a combination of business and capital transaction that occurred in November 2015 and July 2017, respectively.

24. NET OPERATING REVENUE

Net sales revenue presented in income statement is comprised as follows:

	Consolidated		Parenty Company	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Gross revenue				
Domestic market	1,855,189	1,102,667	1,855,189	1,102,667
Foreign market	11,905,370	10,461,361	11,906,306	10,461,361
Expected price adjustment applicable to the sale agreement	387,562	103,453	387,562	103,453
	14,148,121	**11,667,481**	**14,149,057**	**11,667,481**
Deductions				
Taxes levied on sales	(358,429)	(211,535)	(358,429)	(211,535)
Discounts	(161)	-	(161)	-
	(358,590)	**(211,535)**	**(358,590)**	**(211,535)**
Net Revenue	**13,789,531**	**11,455,946**	**13,790,467**	**11,455,946**

25. EXPENSES BY NATURE

	Consolidated		Parenty Company	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Freight /Maritime insurance	(1,032,402)	(1,464,369)	(1,033,860)	(1,464,001)
Labor	(631,701)	(811,639)	(645,139)	(823,341)
Maintenance cost	(318,689)	(505,690)	(324,560)	(514,260)
Depreciation, amortization and depletion	(1,212,949)	(468,210)	(1,212,904)	(468,164)
Third party services (including concessionaires)	(258,594)	(351,041)	(261,778)	(357,227)
Third party material (purchased ore)	(2,281,619)	(1,109,059)	(2,281,619)	(1,109,059)
Supplies	(208,960)	(292,862)	(212,810)	(297,940)
Taxes and fees	(364,807)	(497,520)	(371,528)	(505,959)
Rail freight	(13,167)	(65,730)	(13,167)	(65,730)
Port Leasing	(223,344)	(183,747)	(223,344)	(183,747)
Port expenses - third parties	(110,754)	(111,245)	(110,754)	(111,245)
Demurrage/Dispatch	(77,065)	(42,028)	(76,771)	(41,490)
Sharing expenses	(91,923)	(98,386)	(91,923)	(98,386)
Others	(33,897)	(22,602)	(29,841)	(19,768)
Total by nature	**(6,859,871)**	**(6,024,128)**	**(6,889,998)**	**(6,060,317)**
Cost of sales	(5,480,608)	(4,364,471)	(5,510,736)	(4,405,118)
Selling expenses	(1,219,967)	(1,506,414)	(1,221,089)	(1,505,508)
General and administrative expenses	(159,296)	(153,243)	(158,173)	(149,691)
Total by allocation	**(6,859,871)**	**(6,024,128)**	**(6,889,998)**	**(6,060,317)**

The depreciation, amortization and depletion additions for the year were distributed as follows:

	Consolidated		Parent Company	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Production costs (1)	(1,212,902)	(468,157)	(1,212,903)	(468,157)
Sales expenses	(1)	(7)	(1)	(7)
General and Administrative Expenses	(46)	(46)	-	-
	(1,212,949)	**(468,210)**	**(1,212,904)**	**(468,164)**
Other operating expenses (*)	(18,295)	(29,025)	(18,295)	(29,025)
	(1,231,244)	**(497,235)**	**(1,231,199)**	**(497,189)**

(*) Refers mainly to the depreciation and amortization of paralysed assets, see note 26.

1-The production cost includes PIS and COFINS credits on leases agreement in the amount of R$1,229 in the consolidated and the parent company on December 31, 2020 (R$ 1.185 on December 31,2019), in according with the guidelines set out in Official Circular CVM / SNC / SEP 02/2019.

The Company's mining activity in 2020 started to use 100% of its production process for filtering and stacking dry tailings. As a normal consequence this operation, the use of dams has become obsolete, and consequently, the assets of dams reach the end of their useful lives on December 31, 2020.

As a result of the technical and functional obsolescence of the dams, the book balance of these assets, R$515,491, was fully depreciated in 2020 and appropriated to the cost of production.

26. OTHER OPERATING INCOME (EXPENSES)

	Consolidated		Parent Company	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Other operating income				
Actuarial pension plan	8,642	5,770	8,642	5,770
Reimbursememnt with Loss [1]	-	40,335	-	40,335
Untimely INSS credits [2]	20,086	-	20,086	-
Pension plan gains (Note 28c)	(410)	1,142	(410)	1,142
Other income	4,568	2,851	4,568	2,813
	32,886	**50,098**	**32,886**	**50,060**
Other operating expenses				
Tax and contribution	(7,629)	(24,085)	(7,335)	(23,963)
Provision of losses of judicial deposits	(10,266)	(6,672)	(10,266)	(6,672)
Provision for environmental liabilities	18,092	(48,416)	18,092	(48,416)
Reversal/(Provision) for social security, labor, civil and environmental risks,net of reversals (Note 21)	4,141	(7,474)	4,141	(7,474)
Expenses from social security, labor, civil and environmental law suits	(9,161)	(8,481)	(9,161)	(8,481)
Disposal (Note 10)	(1,762)	(14,710)	(1,762)	(14,710)
Losses from spare parts inventories	(1,974)	(4,331)	(1,974)	(4,331)
Studies and project engineering expenses	(8,749)	(2,584)	(8,749)	(2,584)
Depreciation of equipment paralyzed (note 25)	(18,295)	(29,025)	(18,295)	(29,025)
Contractual fines	(29,198)	-	(29,198)	-
Losses in inventories of finished goods	(51,229)	(38,321)	(51,229)	(38,321)
Maintenance equipment paralyzed	(11,180)	(3,817)	(11,180)	(3,817)
Losses on Cash flow hedge accounting (Note 15.b) [4]	(283,149)	-	(283,149)	-
Operational idleness [3]	(204,429)	-	(204,429)	-
Incentivated donations	(50,531)	(29,499)	(50,531)	(29,499)
Other expenses	(43,373)	(16,385)	(43,057)	(15,332)
	(708,692)	**(233,800)**	**(708,082)**	**(232,625)**
Other operating income (expenses), net	**(675,806)**	**(183,702)**	**(675,196)**	**(182,565)**

1- Refers to the partial indemnity of the collapse accident of the Forklift, occurred on April 15, 2017, at the Cargo Terminal of the Port of Sepetiba, RJ.
2- Refers to social security credit recoverable due to benefits granted to employees that should not be included in the basis of calculation of the contribution to the Social Security.
3- Operation idleness due to delays in the release of environmental licenses, which postponed the start of new ore mining fronts, as well as new dry tailing processes still in ramp-up stage
4- effects of the cash flow hedge of "Platts" index (R$283,149), see Note 15.b.

27. FINANCIAL INCOME (EXPENSES)

	Consolidated		Parent Company	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Financial costs:				
Borrowings	(55,591)	(101,446)	(55,591)	(101,446)
Interest on advances from customers	(163,778)	(116,813)	(163,778)	(116,813)
Related parties (Note 12.b)	(13,608)	(20,922)	(13,608)	(20,922)
Capitalized interest (Note 10)	62,899	89,228	62,899	89,228
Interest, fines and tax late payment charges (2)	(133,928)	(5,678)	(133,928)	(5,678)
Present value adjustment (1)	(74,688)	(7,558)	(74,688)	(7,558)
Other finance costs	(25,487)	(13,138)	(25,467)	(13,117)
	(404,181)	**(176,327)**	**(404,161)**	**(176,306)**
Financial income:				
Related parties (Note 12.b)	13,844	2,063	13,844	2,063
Income from short-term investments	9,122	26,104	8,722	24,163
Other income	5,254	2,640	5,253	2,640
	28,220	**30,807**	**27,819**	**28,866**
Others financial items, net				
Inflation adjustments, net	(119,926)	37,407	(142,211)	33,817
Inflation adjustments hedge accounting , net	(16,504)	-	(16,504)	-
	(136,430)	**37,407**	**(158,715)**	**33,817**
Financial costs, net	**(512,391)**	**(108,113)**	**(535,057)**	**(113,623)**

1- Recognition of adjustment to present value over suppliers
2- Refers to legal additions due to the extension of the term for payments of income tax and social contribution on net income 2020.

28. EMPLOYEE BENEFITS

The Company is sponsor together with its controlling shareholder in pension plans granted to employees. The plans are administered by Caixa Beneficente dos Empregados da CSN (‘CBS”), a private non-profit pension fund established in July 1960 which has as members the employees (and former employees) of the Company and some subsidiaries who joined the fund through an agreement, and the employees of CBS itself. The Executive Officers of CBS is formed by a CEO and two other executive officers, all appointed by CSN, which is the main sponsor of CBS. The Decision-Making Board is the higher decision-making and guideline-setting body of CBS, by the president and ten members, six chosen by CSN, main sponsor of CBS, and four elected by the fund’s participants.

28.a) Description of the pensions plans

Mixed supplementary benefit plan

This plan began on December 27, 1995 and is a variable contribution plan. Besides the scheduled retirement benefit, it also covers the payment of risk benefits (pension paid while the participant is still working, disability compensation and sick/accident pay). Under this plan, the retirement benefit is calculated based on the amount accumulated by the monthly contributions of the participants and sponsors, as well as on each participant’s option for the manner in which they receive them, which can be lifetime (with or without continuity of pension for death) or through a percentage applied to the balance of the benefit-generating fund (loss for indefinite period). After retirement is granted, the plan takes on the characteristics of a defined benefit plan if the participant has chosen to receive his benefit in the form of monthly income for life. This plan was discontinued on September 16, 2013 when the CBS Prev plan became effective.

CBSPREV Plan

The new CBS Prev Plan, which is a defined contribution plan, started on September 16, 2013. Under this plan, the retirement benefit is determined based on the accumulated amount by monthly contributions of participants and sponsors. To receive the benefit, each participant can opt for: (a) receiving part in cash (up to 25%) and the remaining balance through a monthly income through a percentage applied to the benefit-generating fund, not being applicable to death pension benefits, or (b) receive only a monthly income through a percentage applied to the benefit-generating fund.

CBSPREV Namisa Plan

It is a Defined Contribution plan with benefits of risks during the activity (projection of the balances in case of disability or death and sickness / accident allowanced). It has been in operation since January 6, 2012, when it was created exclusively for the employees of Nacional Minérios S.A. After the corporate reorganization, which took place in 2016, other Sponsors joined this Plan, among them CSN Mineração S.A.

Under this plan, all the benefits offered are calculated based on the accumulated amount from the monthly contributions of participants and sponsors, and are paid through a percentage applied to the balance of the benefit generating fund. The CBSPREV Namisa Plan is closed since July 2017 and December 2020 was finalized the extinction process.

28.b) Investment policy

The investment policy establishes the principles and guidelines that will govern the investments of funds entrusted to the entity, in order to foster the security, liquidity and profitability required to ensure equilibrium between the plan's assets and liabilities based on an ALM (Asset Liability Management) study that takes into consideration the benefits of participants and beneficiaries for each plan.

The investment plan is reviewed annually and approved by the Decision-Making Board considering a five-year horizon, as established by resolution CGPC 7 of December 2003. The investment limits and criteria established in the policy are based on Resolution 4,661/18 published by the National Monetary Council ("CMN").

28.c) Benefits granted and to be granted in the Mixed Plan of Suplementary Benefit

The actuarial calculations are updated, at the end of each year, by external actuaries and presented in the financial statements in accordance with CPC 33 (R1) / IAS 19 - Employee Benefits.

The balance as of December 31, 2020 and 2019 are shown below:

	Consolidated and Parent Company	
	12/31/2020	**12/31/2019**
	Actuarial assets	
Benefits of pension plans	(12,016)	(13,714)

The reconciliation of employee benefits' assets and liabilities is as follows:

	Consolidated and Parent Company	
	12/31/2020	**12/31/2019**
Present value of defined benefit obligation	7,354	6,595
Fair value of plan assets	(19,370)	(20,309)
(Surplus)	**(12,016)**	**(13,714)**
Net liabilities/ (assets) recognize in the financial statement	**(12,016)**	**(13,714)**

Changes in the fair value of the defined benefit obligation for the period ended December 31, 2020 are shown below.

	Consolidated and Parent Company	
	12/31/2020	**12/31/2019**
Present value of obligations at beginning of period	**6,595**	**8,667**
Service cost	561	341
Interest cost	439	809
Contributions of participant paid in the period	411	460
Benefits paid	(724)	(579)
Actuarial loss(gain)	72	(3,103)
Present value of obligations at end of the period	**7,354**	**6,595**

Changes in the fair value of the plan's assets for the period ended December 31, 2020 are shown below.

	Consolidated and Parent Company	
	12/31/2020	12/31/2019
Fair value of plans at beginning of period	**(20,309)**	**(23,639)**
Interest income	(1,410)	(2,303)
Benefits paid	724	579
Contributions of participant paid in the period	(411)	(460)
Return on plan assets (excluding interest income)	2,036	5,514
Fair value of plans at end of the period	**(19,370)**	**(20,309)**

The composition of the amounts recognized in the income statement in "Other operational expenses are shown below.

	Consolidated and Parent Company	
	12/31/2020	12/31/2019
Current service costs	561	341
Interest cost	439	809
Expected return on plan assets	(1,410)	(2,303)
Interest on the effect of the asset limit	-	11
Total cost /(income)recognized in the income statement	**(410)**	**(1,142)**

Changes in the actuarial gains and losses or the period ended December 31, 2020 are shown below.

	Consolidated and Parent Company	
	12/31/2020	12/31/2019
Actuarial (gains) and losses	**72**	**(3,103)**
Return on plan assets (excluding interest income)	2,036	5,514
Change in asset limit (excluding interest income)	-	(119)
(Gains) and actuarial losses recognized in other comprehensive inco	**2,108**	**2,292**

The composition of the actuarial gains and losses or the period ended December 31, 2020 are show below

	Consolidated and Parent Company	
	12/31/2020	12/31/2019
(Gain) / loss due to changing demographic assumptions	(37)	-
(Gain) / loss due to change in financial assumptions	(84)	372
(Gain) / loss due to experiment adjustments	193	(3,475)
Change in asset limit (excluding interest income)	-	(119)
Return on plan assets (excluding interest income)	2,036	5,514
Actuarial (gains) and losses	**2,108**	**2,292**

The main actuarial assumptions used were as follows:

	12/31/2020	12/31/2019
Actuarial financing method	Projected unit credit	Projected unit credit
Function currency	Real (R$)	Real (R$)
Recognition of plan assets	Fair value	Fair value
Nominal discount rate	Plano Milênio: 6,95%	6,98%
Inflation rate	3.32%	3.61%
Nominal salary increase rate	4.35%	4.65%
Nominal benefit increase rate	3.32%	3.61%
Rate of return on investments	6.95%	6.98%
General mortality table	AT-2012 segregated by gender.	AT 2000 segregated by gender (10% smoothed)
Disability table	Prudential (Ferr. Aposent.) reduced by 10%	Prudential
Disability mortality table	Winklevoss - 1%	Winklevoss - 1%
Turnover table	5% per year	5% per year
Retirement age	100% on the first date he/she becomes eligible for programmed retirement benefit under the plan	100% on the first date he/she becomes eligible for programmed retirement benefit under the plan
Household of active participants	95% will be married at the time of retirement, with the wife being 4 years younger than the husband	95% will be married at the time of retirement, with the wife being 4 years younger than the husband

The assumptions regarding the mortality table are based on published statistics and mortality tables. These tables translate into an average life expectancy in years for employees aged 65 and 40:

	Mixed supplementary benefit plan (Plano Milênio)	
Longevity at the age of 65 for current participants	**12/31/2020**	**12/31/2019**
Male	21.47	20.45
Female	23.34	23.02
Longevity at the age of 40 for current participants	$0.00	$0.00
Male	44.07	42.70
Female	46.68	46.28

Allocation of plan assets

		12/31/2020
Variable income	208	1.07%
Fixed Income	17,521	90.45%
Properties	915	4.72%
Others	726	3.76%
Total	**19,370**	**100.00%**

28.d) Expected contributions and expense for the period

For the pension plan, the expense in 2020 was R$444 (R$594 on December 31, 2019).

For the mixed supplementary benefit plan, the expected contributions in the amount of R$4,564 will be paid in 2021 for the defined contribution portion and R$290 for the defined benefit portion (risk benefits).

28.e) Sensitivity analysis

The quantitative sensitivity analysis in relation to significant assumptions, for pension plans on December 31, 2020 is shown below:

	12/31/2020	
	Mixed supplementary benefit plan (Plano Milênio)	
Hypothesis: Discount rate		
Sensitivity level	**0.5%**	**-0.5%**
Effect on current service cost and interest on actuarial obligations	(12,788)	14,579
Effect on the present value of the obligations	(145,937)	166,612
Hypothesis: wage growth		
Sensitivity level	**0.5%**	**-0.5%**
Effect on current service cost and interest on actuarial obligations	53,040	(50,250)
Effect on the present value of the obligations	199,039	(188,598)
Hypothesis: Benefit Readjustment		
Sensitivity level	**0.5%**	**-0.5%**
Effect on current service cost and interest on actuarial obligations	8,210	(8,205)
Effect on the present value of the obligations	42,614	(42,570)
Hypothesis: Mortality Table		
Sensitivity level	+1 year	- 1 year
Effect on current service cost and interest on actuarial obligations	(328)	663
Effect on the present value of the obligations	19,275	(15,272)

The forecast benefit payments of the defined benefit plans for future years are as follows:

Payments	
Year 1	660,539
Year 2	643,471
Year 3	640,014
Year 4	630,686
Year 5	622,582
Next five years	1,038,480
Total expected payments	**4,235,772**

29. COMMITMENTS

As of December 31, 2020, and 2019, the Company was a party to take-or-pay contracts as shown in the following table

	Payments in the period						
Type of service	2019	2020	2021	2022	2023	After 2022	Total
Transportation of iron ore.	749,461	649,595	931,432	963,742	963,742	2,810,915	5,669,831
Electricity supply	-	24,727	5,051	5,051	5,051	45,455	60,608
Labor and consultancy services	27,002	32,279	28,428	27,380	27,380	191,657	274,845
Total	**776,463**	**706,601**	**964,911**	**996,173**	**996,173**	**3,048,027**	**6,005,284**

30. SEGMENT INFORMATION

The Company has only one operating segment defined as mining. The Company is organized, and its performance is assessed, as a single business unit for operational, commercial, managerial and administrative purposes.

Sales by geographic area are shown below:

			Consolidated	
	12/31/2020	**%**	**12/31/2019**	**%**
Asia	8,604,081	62%	7,625,183	67%
Europe	3,688,851	27%	2,478,016	22%
Middle East	-		461,615	3%
Domestic market	1,496,599	11%	891,132	8%
	13,789,531		**11,455,946**	

31. INSURANCE

Aiming to properly mitigate risk and in view of the nature of its operations, the Company have taken out insurance policies of several different types. Such policies are contracted in line with the Risk Management policy and are similar to the taken out insurance by other companies operating in the same lines of business of CSN Mineração. The risks covered under such policies include the following: Domestic Transportation, International Transportation, Life and Casualty, Health Coverage, Fleet Vehicles, D&O (Civil Liability Insurance for Directors and Officers), General Civil Liability, Engineering Risks, Export Credit, warranty and Port Operator's Civil Liability.

The Company's insurance are taken together with the controlling shareholder insurance – CSN, without, however, having joint liability or subsidiary liability between the Company and companies of its economic group.

In 2020, after negotiation with insurers and reinsurers in Brazil and abroad, an insurance policy was issued for the contracting of a policy of Operational Risk of Property Damages and Loss of Profits, with effect from June 30, 2020 to June 30, 2021. Under the insurance policy, the Maximum Limit of Indemnity is US$475 million for sites with Mining activity for material damages and Loss of Profits. The Company assumes a deductible of US$385 million for material damages and 45 days for loss of profits. The Maximum Limit Indemnity is shared with other insured locations.

32. ADDITIONAL INFORMATION TO CASH FLOWS

The following table provides additional information on transactions related to the statement of cash flows:

	Consolidated and Parent Company	
	12/31/2020	12/31/2019
Additions and initial adoption CPC 06 - Right of use (Note 10.b)	8,267	32,861
Remeasurement of the Right of Use (Note 10.b)	(701)	63,900
Financing of fixed asset acquisitions	30,344	100,661
Acquisition of non-cash properties	29,731	-
	67,641	**197,422**

33. SUBSEQUENT EVENTS

- **CSN Mineração Shares Offering Prospectus**

On February 17, the Company disclosed to the market the definitive prospectus for the primary and secondary public offering of the shares issued by the Company through B3 – Brasil, Bolsa, Balcão. The Offering comprised (i) the primary distribution of 161,189,078 new shares ("Primary Offering"); and (ii) the secondary distribution of, initially, 372,749,743 shares, which could be increased of up to 20% of additional shares held by all current shareholders and up to 15% of supplemental shares held by the majority shareholder CSN.

The price per share ("Price per Share") informed in the definitive Offering prospectus was R$8.50, resulting in the total of R$1,370 million for the primary shares, which would be destined to increase of capital. The Price per share has been determined upon conclusion of the proceeding for the collection of the investment intentions with institutional investors in Brazil and abroad.

Upon opening capital, there has been the split of the shares issued by the Company, in the proportion of 1:30, so that the capital stock of the Company became represented by 5,430,057,060 (five billion, four hundred thirty million, fifty-seven thousand and sixty) registered, book-entry common shares with no par value, as approved in the Special Shareholders Meeting held on October 15, 2020.

- **Dividends**

On January 21, 2021, the Company approved at the Board of Directors' Meeting, the distribution of dividends in the amount of R$1,068 million, which was paid on January 31, 2021.

MANAGEMENT REPORT 2020

1- ADMINISTRATION MESSAGE

We all know how challenging 2020 was. As soon as the pandemic was declared in Brazil, our reaction was to prepare the company for an unprecedented storm ahead. More than ever, we follow hard our essence of "do well, do more and do forever", ensuring maximum competitiveness and endurance to face the whirlwind that formed. We face the pandemic as true heroes, maintaining the production of everything Brazil needed, without missing essential products to the market and even to cope with the pandemic. We were facing the situation well and the market expectation, already from the third quarter, became favorable.

With the growing external demand for iron ore, CSN Mineração and CSN, its parent company, ended the year in a winning manner. We have overcome our challenges and further consolidated ourselves as a strong and resilient company. In addition to the good results and the solidity that we have once again demonstrated to the market, 2020 was also decisive in strengthening the commitment to the ESG (Environmental, Social and Governance) criteria in our business strategies.

Together with the incessant search for innovation and the implementation of new technologies in our operations, environmental, social and governance issues stand out as a strategic pillar in our operations. The world is experiencing a new and silent industrial revolution that will force all companies to adapt to ESG best practices. And CSN and CSN Mineração, which have been at the forefront of these issues for some time, once again prove that this is the only possible way.

CSN Mineração, a pioneer in the implementation of large-scale tailings filtration, has made its operations independent of the disposal of tailings in dams, ending 2020 with 100% of them filtered and dried. It also once again took the lead by being the first mining company in Minas Gerais to have a dam upstream uncharacterized. These are achievements that certainly represent a new chapter in the history of mining. In addition, *CSN Mineração* achieved net revenue of R$ 13,790 billion, an increase of 17% compared to 2019. An important point also to be highlighted is our progress in terms of security. After all, good operational performance is directly linked to this issue. In 2020, we achieved at *CSN Mineração* our best indicators, with a 40% reduction in the frequency rate of reportable accidents in the last 3 years.

The year 2021 is still challenging. The world continues to face the pandemic and suffer the adverse effects it causes on people's lives and in the economy. CSN and CSN Mineração will continue to be guided by concern about environmental, social, health and governance issues, not measuring efforts to ensure that increased productivity and efficiency always follow the best practices and investments necessary to perpetuate the sustainable growth of the organization.

Benjamin Steinbruch

Chairman of the Board of Directors

2- THE COMPANY

CSN Mineração operates in an integrated and competitive manner, through its efficient mine operations, processing, participation in the *MRS Logística* railway and lease agreement of the TECAR port terminal in Itaguaí, Rio de Janeiro, supplying quality iron ore to the national steel and transoceanic market. With relatively high iron content and consequently low slag generation in steel production, *CSN Mineração* helps its customers reduce greenhouse gas emissions, contributing to a sustainable future and pollution reduction.

Located in the *Quadrilátero Ferrífero*, a region recognized for its mineral wealth, in the south-central state of Minas Gerais, Brazil,*CSN Mineração* has an installed production capacity of 33 million tons of ironore per year in its processing plants in *Casa de Pedra* (central plant and dry plants) and an installed export capacity of 45 million tons per year in TECAR.

In 2020, 31,1 5 million tons of iron ore were sold by *CSN Mineração*, a reduction of 19.1%compared to 2019, and of this total 13.5% (4.2 million tons) were destined to UPV (*Presidente Vargas* Plant) and 86.5% was exported.

Although it has had the current configuration only since 2015, *CSN Mineração* has a history of more than 100 years in iron ore production. Currently, as the second largest exporter of iron ore in Brazil, it has one of the largest reserves of iron ore in the world, certified at more than 3.02 billion tons according to the Snowden audit, carried out in 2015, and has been successful in replacing resources and reserves in recent years (85% conversion rate in the last certification process carried out by Snowden). After 2015, the Company conducted an independent survey campaign in the *Casa de Pedra and Engenho* mines and (i) added 558Mt to the total reserves, in addition to *the depletion* of 224Mt, reaching an estimated total reserve of 3.4 billion tons; and (ii) added 463Mt of inferred resources, reaching total inferred resources of 2.5 billion tons. Also, as a result of the exploration carried out in the *Serra do Esemril* warehouse, added 2.0 billion tons of estimated exploratory potential (exploration results not yet classified as a resource or mineral reserve), which together can represent up to 7.9 billion tons of reserves, resources and estimated exploratory potentials, according to the Company's studies, reports and estimates following the methodology of the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves - the JORC Code*.

Added to all the quality advantages of its products and competitive costs, is CSN Mineração's concern with the environment and sustainable growth. Pioneerin Brazil in initiatives to reduce the risk and use of tailings dams, the use of tailings dams has been reduced over the years and since January 2020 has its production 100% independent of the use of dams, where 100% of tailings are filtered and dried.

3- PERSPECTIVES, STRATEGIES AND INVESTMENTS

CSN Mineração has a fully integrated platform, with quality assets from the mine to the port that support its expansion plans:

CURRENT OPERATION

3.1- MINING

Mine Stone House

The oldest mine in operation in the country and second largest in terms of capacity. Recognized as one of the main mines in the country for the quality of its iron ore, *Casa de Pedra* is an open pit mine located in the southwest region of the *Quadrilátero Ferrífero* in the City of Congonhas, in the State of Minas Gerais. The mine was incorporated in 1941, but the ore extraction process began in 1913.

Engenho Mine

The Engenho mine, which began operations in 1950, is an open pit mine located in the southwestern region of the *Quadrilátero Ferrífero*, 60 km from the city of Belo Horizonte, in the State of Minas Gerais, whose ore is processed in Pires processing plant and in the *Casa de Pedra* unit itself.

Our mine operation (Stone House and Mill) has a fleet of hydraulic blades and wheel loaders for the extraction of iron ore which is then transported by a fleet of trucks with a current annual capacity to move approximately 120 million *tons of run of mine.* Iron ore is then processed in our treatment plants, which have an installed capacity of 33 million tons of production per year (it includes the production of the central plant plus production in dry plants).

Reserves and Resources - *Mina Casa de Pedra and Mina do Engenho*

In February 2015, Snowden do Brasil Ltda. ("Snowden"), a mineral reserve certification company, released a report certifying that *CSN Mineração*, considering the *Casa de Pedra e Engenho* Mine, has proven and probable reserves of 3.02 billion tons. After 2015, the Company independently conducted a survey campaign independently, using the same criteria adopted by Snowden in the *Casa de Pedra e Engenho* mines and, as a result: (i) added 558Mt **to the total reserves, in addition to** *the depletion* of 224Mt, reaching an estimated total reserve of 3.4 billion tons; and (ii) added 463Mt of inferred resources, reaching total inferred resources of 2.5 billion tons.

In addition, as a result of the voluntary drilling campaign carried out at the *Serra do Esemril* deposit, 2.0 billion tons of estimated exploratory potential were added (exploration results not yet classified as a resource or mineral reserve). This volume was calculated by *CSN Mineração* in October 2019, based on the surveys carried out, the geological mapping of the mines and the geometric position of the ore body from the mines located west of the Emery. Thus, without prejudice to analysis and drilling campaigns that continue**to be constantly carried out by the Company, which may increase or decrease the approximate value of resources and reserves, the Company estimates, based on studies, reports and internal estimates, following the methodology of the** *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves - the JORC Code",* **which has** reserves, resources plus mineral inventory (estimated exploratory potential) of approximately 7.9 billion tons.

Millions of Tons	2015 (Certificate)	(-) Depletion (Internal Analyses	(+) Additions (Internal Analyses)	Internal estimates2020
Total Reserve (Proven + Probable)	3,021	(224)	558	3,355
Inferred Resources	2,081	0	463	2,544
Total (Reserves and Resources)	5,102	(224)	1,021	5,899
Serra do Esmeril Inventory (estimated exploratory potential)	-	0	2,000	2,000
Total (Reserves and Resources) + Mapped Inventory	5,102	(224)	3,021	7,899

Source: 2015 SNOWDEN Certification. *Depletion values and* additions company information

Beneficiation Plants

The current global production capacity is 33 million tons of iron ore per year, of which 22.5 million tons are in the central plant and 10.5 million in dry plants.

3.2- TECAR PORT TERMINAL

CSN Mineração holds **the right to exploit TECAR under the lease agreement** of the solid bulk port terminal located in the Port of Itaguaí (Rio de Janeiro), covering a total area of 740,761,000 m². With a capacity of (i) shipment of 45 Mtpa (million tons per year) of iron ore and (ii) landing of 4 Mtpa (million tons per year) of reducers (e.g., coal, coque), allows relevant gain of operational synergy of the Company. The lease period for TECAR operation is scheduled to end in 2047, through the realization of new investments, currently under discussion with the National Secretariat of Ports and Waterway Transport of the Ministry of Infrastructure.

3.3- *MRS LOGÍSTICA S.A.* ("MRS")

MRS, a member of *CSN Mineração*,operates a railroad on the Rio de Janeiro, São Paulo, Belo Horizonte axis, and connects the *Casa de Pedra* mine in Congonhas in Minas Gerais to the *Presidente Vargas Plant* ("UPV") and to the terminals of the Port of Itaguaí in Rio de Janeiro. The rail transport services provided by MRS are essential for the disposal of its products.

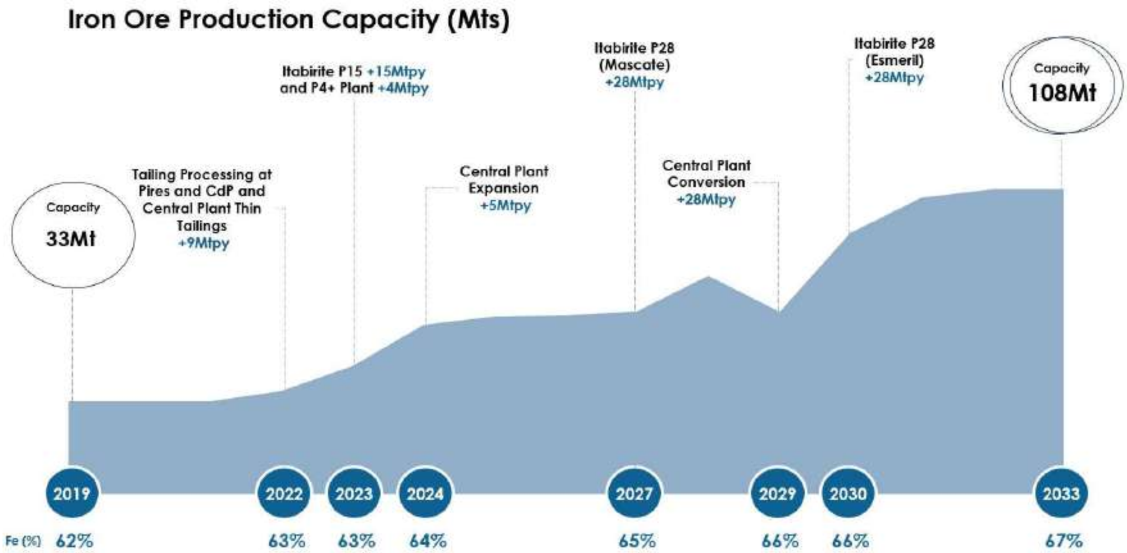
MRS's main segment of **operation is heavy** haul **loads** (ore loads, coal and coque), having transported, in 2020, **about** 98.2 million tons **of these** products, the equivalent of 61,5**% of the total transported by** MRS. Recently, MRS has been following a **strategy of diversification of the cargo transported with a great focus on general cargo, which reached a level of** 38.5**% in the mix transported in** 2020**,** representing an important avenue of growth for MRS in addition to mining transport.

The total iron ore sold by *CSN Mineração* and imported coal and coquet, through Tecar, for supply from UPV is transported by MRS. *CSN Mineração* has an 18.63% stake in MRS, and its result is reflected as equity.

PROJECTS FOR CAPACITY EXPANSION

CSN Mineração believes that the coming years will be transformational, as it has projects in advanced development with a robust investment plan to finance the acceleration of iron ore production. To exemplify, the expected expansion of production capacity will be from the current 33 million tons per year to 108 million tons per year in 2032, with the completion of allprojects (does not include volume of purchases of ore, only own production).

Iron Ore Production Capacity (million of tons)



Source: Company estimates (does not include volume of ore purchases, own production only)

CSN Mineração's recent history stands out for the delivery of projects with accelerated schedule and expressive returns, all "*on-time, on-budget, on-quality*", which reveals our critical skills maturity for development and implementation of capital projects. An example of this was the transformation of the tailings of the central plant into a high quality product through the Cmai i and ii magnetic concentrators, and the pioneering initiative to implement the tailings plants, the largest in the world, with stages completed in August 2018 and June 2019, allowing to have an independent operation of tailings dams.

CSN Mineração has four large blocks of projects under development that it plans to run gradually over the next 12 years:

(i) **Central Plant Expansion Projects (Central Plant Fine Tailings and Central Plant** Expansion): *Brownfield expansions* that will accelerate pellet feed production *at* low operating cost. It is estimated that such expansion projects will provide an increase in production of 6 million tons per year, with an estimated investment of R$ 1.2 billion over 4 years. Basic engineering in the works.

(ii) **Dam Tailings Recovery Projects (Pires Tailings Processing and Stone** House): *brownfield expansions* that will generate value through the recovery of 180 million tons of tailings stored today in the dams as part of its decharacterization program. It is estimated that such dam tailings recovery projects will provide an increase in production of 8 million tons per year, with an estimated investment of R$ 1.1 billion over 5 years. Basic engineering in the works

(iii) **Itabirito Projects (Itabirito P15, Plant P4, Itabirito P28 Muscat, Conversion of Central Plant and Itabirito P28 Esmeril): mix of** *brownfield* expansions (P15, already with deployment license issued, equipment quotes in progress and start of deployment planned for 2021) *and greenfield*, all projects with known technology and investment per ton competitive for *production of premium pellet feed with* low degree of impurities and high iron content (including *direct reduction feed pellet).* It is estimated that such expansion projects will provide an increase in production of 103 million tons per year, with an estimated investment of R$ 22.7 billion by 2032.

(iv) **TECAR Expansion Projects:** Brownfield *investments* to support the ore production capacity expansions described above. It is estimated that such expansion projects will increase TECAR's operational capacity in 3 phases ([shipment of] 60, 84 and 130 million tons per year), with an estimated investment of R$6.3 billion over 8 years. Detailed engineering of the 60mtpa phase and conceptual studies of phases 84 and 130mtpa in execution.

CSN Mineração's focus on the execution of projects is based on 3 pillars (i) sustainability, 100% of the projects are independent of tailings dams; (ii) low execution risk, all projects make use of technologies already consolidated in the market and dominated by the Company, and (iii) return, *premium products* at competitive costs (maintenance of current levels of operating costs).

4- RELEVANT CORPORATE EVENTS

In 2019 there was no relevant event or corporate transaction, pursuant to the legislation in force.

5 - CORPORATE GOVERNANCE

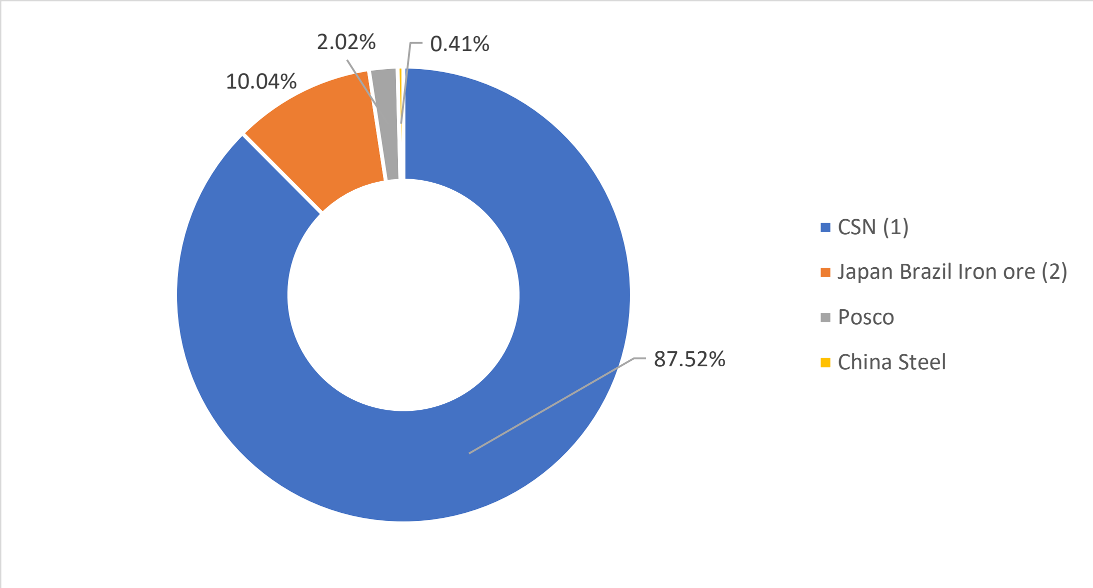
Investor Relations

Considering that until December 31, 2020 CSN Mineração was a privately held corporation, the Company did not have communication channels aimed at investors, but had its information disclosed transparently within the context of the CSN Economic Group, of which it is part, through coverage of financial institutions and participations in events and conferences.

Capital Social

The share capital *of CSN Mineração* is divided into 181. 001. 902 (one hundred and eighty-one million, one thousand nine hundred and two) common and book-entry shares, with no par value, and each common share is entitled to one vote in the resolutions of the Shareholders' General Meetings.

CSN Mineração **- Composition of The Share Capital on 12/31/2020 (%)**



(1) Controller Group
(2) Asian Consortium formed by Itochu, JFE Steel and KobeSteel.

Shareholders' General Meeting

Once a year, as established by the legislation, the shareholders meet at the Ordinary General Meeting to decide on the accounts presented by the directors, the financial statements, the allocation of the result of the year, eventual distribution of dividends, and every two years, also deliberate on the election of the members of the Board of Directors. The General Meeting also takes place extraordinarily, whenever necessary, to deliberate on matters that are not within its ordinary competence.

Board of Directors

The Board of Directors is composed of at least five (5) and a maximum of 7 (seven) full members and several alternates that will not exceed the number of full members, resident or not in Brazil. The term of office of the Directors is 2 (two) years, subject to the provisions of the Shareholders' Agreement. As of December 31, 2020, the Board of Directors is composed of five (5) full members and one (1) alternate, all with the end of the unified term of office on October 15, 2022. The Board of Directors shall, among other duties, establish the general orientation of the Company's business, monitor the acts of the Executive Board and decide on relevant matters involving the Company's business and operations. It is responsible for the election and removal of the members of the Board of Executive Officers, and may also, if necessary, create special committees for its advisory.

Board

The Board of Executive Officers is composed of, at least two (2) and a maximum of five (5) Directors, one Chief Executive Officer, one Chief Financial Officer, and one Investor Relations Officer, and the others are allowed to accumulate positions, and the others with the appointment conferred on them by the Board of Directors. The term of office of the Directors is 2 (two) years, allowed re-election for an unlimited number of mandates. On December 31, 2020, the Board of Directors is commissioned by four (4) members, being a Managing Director, a Chief Financial officer and Investor Relations Officer, an Operations Officer and a Strategic Planning Director, all with the end of the unified term of office on October 15, 2022. The Executive Board is responsible for conducting the activities of administration and operation of the Company's corporate business, and shall exercise the powers conferred on them by the General Meeting, the Board of Directors and the Company's Bylaws, to perform the acts required for its regular operation. The members of the Board of Executive Officers meet whenever summoned by the Chief Executive Officer or by two Directors.

Audit Committee

The Company's Board of Directors intends to constitute at the beginning of the next fiscal year an Audit Committee to be composed of at least three (3) members, with a management term of 2 (two) years, and the re-election allowed, and (i) at least one (1) must be an independent member of the Board of Directors; and (ii) at least one (1) must have recognized experience in corporate accounting matters (being certain that the same member of the Audit Committee may accumulate the characteristics of these items (i) and (ii). The Audit Committee shall advise the Company's Board of Directors, in monitoring and controlling the quality of financial statements, internal controls, risk management and *compliance,* as well as with respect to the results of internal audits and investigations

Internal Audit

The Parent Company CSN has an Audit, Risk and Compliance Board, acting independently within the organization, linked to the Board of Directors of the Parent Company CSN, according to Art.19, VIII of the bylaws. The activities of this Board of Directors cover all companies of the CSN Economic Group, including *CSN Mineração.*

The internal audit team has its own methodology and tools to carry out its activities, which are aligned with the best market practices and adopts a systematic and disciplined approach, acting objectively and independently in the conduct of its work, to evaluate the effectiveness of controls and consequent improvement of risk management, control and governance processes, as well as fraud prevention, reporting its results to the Management Council, through the Audit Committee.

Independent auditors

The independent auditors, *Grant Thornton Auditores Independentes*, who in 2020 provided services to *CSN Mineração* and its subsidiaries, were hired to issue a limited review report on the Company's quarterly financial information and opinion on the Company's annual financial statements and additional services to the examination of the financial statements. It is understood that both the Company and its independent auditors that such services do not affect the independence of the auditors.

Amounts related to the services provided by the auditors	**(R$ thousand)**
Fees related to external audit	2,296
Fees related to other assurance services	105
Total	2,401

The services provided by the external auditors, in addition to the examination of the financial statements, are previously presented to the Audit Committee of the parent company CSN in so that it is concluded, in accordance with the relevant legislation, whether such services, by their nature, do not represent a conflict of interest or affect the independence and objectivity of the independent auditors. Pursuant to CVM Instruction 480/09, the Board of Directors declared on 02/19/2021 that it discussed, reviewed and agreed with the opinions expressed in the opinion of the independent auditors and with the financial statements for the fiscal year ended December 31, 2020.

Sarbanes-Oxley Act

The Company uses in its corporate governance structure the Audit, Risk and Compliance Board of The Parent Company CSN, which has among its duties the risk assessment that impactsthe financial statements and the definition of internal controls to mitigate them, together with the managers responsible for the business processes. The Company evaluates the effectiveness of its internal control structure, according to principles established in the COSO framework (Committee of Sponsoring Organizations of the Treadway Commission) and in compliance with the Sarbanes-Oxley Act, and the result of this assessment is reported to senior management and the Audit Committee of the Parent Company CSN.

As a result of the management's internal controls assessment, together with the external auditor, the Company did not identify weaknesses in the years ended December 31, 2018 and December 31, 2019. The Company completed the evaluation of internal controls for the year 2020, in compliance with section 404 of the Sarbanes-OxleyAct, to which the CSN Economic Group is subject.

Code of Ethics

The Company has a Code of Conduct approved by the Board of Directors contemplating principles applied to compliance with the Anti-Corruption Law (12,846/13) and that guide its acts and define the daily commitments of behavior to be assumed by employees and executives of the Company. The Code is intended and made available to employees, executives, suppliers, customers and service providers, among other stakeholders, and is used as a statement of commitments made of conduct. Its guidelines are public and can be found on the website of the CSN Parent Company, at the e-www.csn.com.br.

The Compliance area is responsible for the Integrity Program, which aims to ensure compliance with ethical standards of conduct in the exercise of activities and transparency in business. Part of this process is the continuous training of employees and also the monitoring of compliance with laws, regulations, policies and internal standards

The Company also has reporting channels for reports of misconduct or suspicion. The reporting of complaints by employees, third parties and the external public may take place anonymously or identified, maintaining confidentiality, confidentiality and the guarantee of non-retaliation. The complaints are handled by the Risk and Compliance Management of The CSN Parent Company and reported to the Audit Committee of the Parent Company CSN.

Disclosure of Material Acts and Facts

The Company has a Policy of Disclosure of Material Act or Fact and Securities Trading according to which all disclosure must be made with reliable, adequate and transparent data, within the deadlines and with homogeneity, as established in CVM Instruction 358/2002 and section 409 – Real-Time Disclosure of the Sarbanes-Oxley Act. The referred policy establishes that the Company's Material Acts and Facts must be transmitted through the Folha de São Paulo News Portal, together with the disclosure on the Company's investor relations websites, as well as on the website of the Securities and Exchange Commission and B3 S.A. – Brazil*, Bolsa, Balcão*.

6- INNOVATION

CSN Mineração has more than 60 years of research, development and innovation activities. However, CSN Mineração is a company that originated from the incorporation of the activities of Nacional Ores S.A. ("NAMISA") and the capitalization of the net holdings of the Casa de Pedra mine and the TECAR port terminal, contributed by the parent company CSN, which occurred in 2015. The activities of the Casa de Pedra mine were carried out by the parent company until the date of the contribution of the net collection, and date of the beginning of CSN's activities decades ago.

CSN Mineração seeks an innovative performance and has structures totally dedicated to innovation, such as *CSN Inova* and the Research and Development Center that operate for all companies that are part of the CSN Economic Group, including *CSN Mineração*.

Created in 2018, CSN Inova is the innovation arm of the CSN Economic Group, which aims to position the Company strategically and actively in the innovation ecosystem. Although there are innovative initiatives disseminated throughout the company, CSN Inova is responsible for systematizing and leading the innovation process in an organized and broad manner, in order to enable the execution of innovation projects by groups of people with different skills and different areas of activity.

The essence of CSN - "Doing well, doing more and doing forever" - directs the pillars of innovation of *CSN Inova*: (i) Process Optimization and Operational Efficiency, (ii) New Sources of Revenue and (iii) Culture and Sustainability. In addition to systematizing and leading the process of open innovation (hiring startups, connecting with universities, innovation hubs and other ecosystem agents) *CSN Inova* - always in conjunction with business areas - conducts projects that introduce new methodologies to solve the company's challenges, which help the Company in digital transformation, enhance CSN's assets, generate opportunities for new business development for the Company, among others.

In its first cycle of operation, *CSN Inova*, together with multidisciplinary teams of employees, conducted projects related to digitization and process optimization. These projects involved the identification of the Company's challenges and implementation of solutions presented by startups in the following areas: Legal, HR and UPV's operational. Based on the good results obtained in this first moment, *CSN Inova* went through an expansion process, increasing its scope of operation and extending it to other areas of the company, in order to give scale to its methodology and the positive impacts for the Company.

Also in 2020, the parent company CSN structured one of the first brazilian venture capital (CVC) investment vehicles focused on Industry 4.0. With this, CSN aims to invest in companies that promote large-scale impact technology and find solutions that have synergy with the operations of CSN group companies, including *CSN Mineração.*

7- PEOPLE

CSN Mineração's People Management model is based on five pillars: Attract; Align and Engage; Evaluate; Develop; Recognize and Reward. The company believes that its competitive differential is its human capital, even more in a year fraught with uncertainties and challenges, such as 2020. Through this model knowledge is transformed into a successful trajectory, based on passion, dedication and competence that generate opportunities, achievements and recognitions.

Faced with the new reality established by coronavirus and based on ethical standards of professional conduct, *CSN Mineração* followed all recommendations for prevention and containment of the virus disclosed by the competent health agencies. In this sense, it established a Prompt Response Management Committee (Crisis Committee) with the objective of ensuring the health, safety and well-being of employees.

Because of this world scenario, we have taken several steps in relation to our training practices. We had to reinvent ourselves, many actions were restructured so that they could provide the development of employees with total security.

To maintain a high performance and qualified team, *CSN Mineração* was able to recycle its employees in mandatory training, respecting all safety protocols: distance, smaller workload, open and ventilated locations, use of masks and frequent hygiene and many were performed by online training.

Initiatives were also carried out in conjunction with the health area on emotional issues. There were 4 online events for all employees, including those belonging to the risk group and retirees. All received tips on how to take care of themselves in times of pandemic. Another event held, online, was The Pink October covering all employees of the CSN group in partnership with the *NGO Amor em Mechas*.

In 2020, we invested more than 119,000 hours in training, which demonstrates *CSN Mineração's* concern in the development of its employees.
The company understands that the impacts of the pandemic directly affect the experience of the employee and, therefore, the Area of People & Management has played an important role in supporting leadership in conducting various adaptations and changes.

As part of this process, on December 1, 2020 we started the new People Cycle, which is not a program of the Board of People & Management but of the CSN Group, in it all employees had the opportunity to receive and give feedback as to their current moment and their career expectation.

The Cycle consists of the following stages: evaluation - calibration /committee of people - feedback - career & succession - preparation of the PDI - Development.

The role of the leader in this process is fundamental. The leaders are responsible for the development of the team in order to make them better professionals than themselves, thus ensuring the growth of people and the perpetuity of CSN, through the career & succession program.

The Competency Assessment was reformulated, and the 360° model was implemented; 180° and 90°, as below:

- **360° rating**

Executive Directors; Directors; General Managers and Managers: Perform self-assessment; and receive evaluation from the immediate manager; pairs; team; customers | internal suppliers

- **Rating 180°**
  Coordinators and Supervisors: Perform self-assessment and receive evaluation from the immediate manager and team

- **Rating 90°**
  Specialists; Higher Level; Administrative and Operational Level: Perform self-assessment and receive evaluation from the immediate manager

To support not only the evaluation, but all its challenges as a leader, the company defined what it is to be a leader in the CSN group: "Act as the owner of the business, performing its best with resilience and creativity in solutions. It is to act with an ethical and transparent posture, directing, developing and engaging your team in the search for the best results to ensure the perpetuity of the business." And to reinforce this challenge, the group's president, Benjamin Steinbruch, held the opening of the 2020 School of Leaders.

As the Evaluation process ends in March 2021, there are still no indicators with final data, but all employees will have the opportunity to evaluate themselves, generating the leading role in each one.

After the evaluation, the Nine Box matrix will be used, in which the performance results (performance and competence) of each employee will be plotted. The results will support the Career and Succession committees, which evaluate the company's potential managers.

In our practices of attracting and valuing our employees, the CSN group ensures non-discrimination, making it clear that the organization is intolerant of any practice contrary to its ethical values.

The following points are included in our Recruitment & Selection policy:

- ✓ The organization maintains a professional and responsible relationship with its employees and does not admit that career decisions are based on personal relationships;

- ✓ The organization does not tolerate any attitude guided by prejudices related to origin, religion, race, gender, sexual orientation, social class, age, marital status, political-party position and disability of any kind, for the purpose of sponsorship and donation to social, welfare and cultural projects. Likewise, for hiring and taking advantage of their professionals, provided they meet the technical requirements and the profile required for the position;

- ✓ The organization does not admit illegal practices such as child labor and, therefore, maintains a work environment that respects the dignity of all employees, that provides good professional performance and that is exempt from any kind of discrimination and sexual or moral harassment. The organization will not employ child or slave labor, nor will it agree to such practices by third parties who provide us with products or provide any kind of service;

- ✓ To meet the organization's need for human resources, the internal recruitment and admission of Persons with Disabilities is prioritized, provided that they meet the prerequisites of the vacancy in question;

CSN Mineração ended 2020 with 6,484 direct and 3396 indirect employees, indicating a turnover rate of 1.2%, one of the lowest in the industrial sector.

8 - PERFORMANCE IN ESG ASPECTS (*environmental, social and governance*)

Important initiatives marked the year 2020 in the development of ESG themes at CSN Mineração. In October, through its parent company, CSN Mineração became a signatory to the United Nations Global Compact, joining the organization's Climate Action Platform.

In December, the Integrated Report of the CSN Group - biennium 2018/2019: GRI Standards was disclosed, contemplating information and relevant aspects of management of CSN Mineração. In addition, there was the launch of the ESG (esg.csn.com.br) website, which aggregates information from the entire CSN Group, and the realization of our First ESG Week, an online event that brought the ESG concept and management of the CSN Group to internal and external audiences, in addition to having the participation of specialists in the three pillars.

In December, we released our Integrated Policy of Sustainability, Environment, Health and Safety at Work, rescuing the acronym "SEMPRE", already very present in the CSN management. In addition to the proposed integration, the new Policy formalizes the CSN Group's commitment to the Sustainable Development Goals (SDGs), a United Nations initiative, and reinforces the importance of safe, ethical, transparent, inclusive, environmental protection and biodiversity behavior, seeking to promote these principles throughout its value chain.

Finally, we have established ESG ambitions that will guide our journey towards more efficient, integrated and sustainable management.

1. **Gender Equality**: double, by 2025, the percentage of women in CSN Mineração's workforce, based on the 2019 figures;
2. **GHG emissions:** reduce by 10% the intensity of GHG emissions (tCO2e/ton of ore produced) of scopes 1 and 2 by 2030;
3. **Energy**: achieve energy from 100% renewable sources by 2021;
4. **Water:** reduce by 10%, by 2030, the capture of water per ton of ore produced, base 2019;
5. **Certifications:** certify, by 2021, the PORT TECAR at ISO 14.001:2015;
6. **Occupational Safety**: in addition to zero accident, which is the main objective, the goal is to reduce by 10% year-on-year the frequency rate of accidents;
7. **Governance**: continuously increase our Index of Attendance to the best governance practices provided for in CVM Instruction No. 586/2017, through its parent company.

Environmental management

CSN Mineração maintains several instruments of Socio-environmental Management and Sustainability in order to act in a propositional way and serving the various stakeholders involved in the *communities* and businesses in which it operates.

The Company has an Environmental Management System (SGA), implemented according to the requirements of the international standard ISO 14001: 2015 and certified by an independent international body duly accredited with INMETRO, in its Stone House unit (ISO 14,001) since 2000.

CSN Mineração reports its emissions in an integrated manner to its parent company, following *the GHG Protocol guidelines* to support its carbon management, risk mitigation and adaptation to climate change. For the sixth consecutive year, the CSN Group received the *GHG Protocol Gold Seal* for reporting emissions from all its units and subject to external verification. Also responding to the request of investors, the CSN Group reports *annually to the Carbon Disclosure Project* (CDP) the guidelines followed regarding climate change, supply chain and water security. In 2020, we had a *score improvement* in Climate Change from D to C, corroborating the commitment to the continuous improvement of our GHG emissions in CSN companies.

CSN Mineração is committed to the responsible management of its water resources. To meet this commitment, we have more than 40 control systems for effluents and drainages and more than 30 monitoring points in the watercourses located in the area of influence of the enterprise, continuously investing in new technologies. As a result, by 2023, we plan to reduce water consumption at the Central Plant by 45% and raise our recirculation rate to 95%.

In addition, for 2021, the World Wildlife Fund - WWF and *Aqueduct's Water Risk Filter* tools of *the World Resources Institute - WRI* are planned to evaluate physical, regulatory and operational risks of the basins, in addition to the company's own operational risk, in order to contribute to the reporting of gri standards agua indicators, version 2018, CDP Water Safety and SASB.

Regarding the energy matrix used by the Company in 2019 and 2020, we had 100% of the energy used from renewable sources and we reached in advance the ambition established for the year 2021, which became definitive for *CSN Mineração.*

Valuing the protection of biodiversity, we preserve and protect more than 4,000 hectares, an area 3 times larger than our operational area, being: 1,847 hectares of legal reserve areas and RPPN, with predominant vegetation of Semi decidual Seasonal Forest in high degree of preservation, and another 2,584 hectares recovered, in recovery and/or conserved within the Atlantic Forest biome in the triennium 2018/2019/2020. In addition, we have been monitoring the flora and fauna in the area of influence of the enterprise, including mesofauna, herpetofauna and avifauna for more than 15 years. During this period, we proved the evolution in the degree of preservation of the site, where each year the richness of the fauna found increases, including the presence of several endangered species, indicating that there is an ecological balance between the company's activities and local biodiversity.

In 2020, *CSN Mineração* carried out important actions aimed at protecting biodiversity: land regularization and donation to ICMBIO of areas in *the Parque Nacional of Sempre Vivas and Cavernas do Peruaçu National Park*, all of which were included in the São Francisco River watershed, contributing to the conservation of biodiversity and water recharge in that region. In addition, another 550 hectares of areas used by mining, including sterile piles and tailings, are recomposed by planting hydro sowing and seedlings, creating green areas and mitigating impacts related to particulate matter emissions.

Management of dams and environmental permits

The company is at the forefront of mining tailings management worldwide, having invested around R$ 400 million in technologies that have enabled better management of tailings with dry filtration and stacking, making since the beginning of 2020 our processes 100% independent of the use of the tailings dam.

We follow the guidelines and recommendations on the operation and safety of dams established by ICOLD *(International Commission on Large Dams),*an international non-governmental commission, which encourages the exchange of information on planning, design, construction and operation of large dams. These standards and practices are in line with the requirements of the International Council on Mining and *Metals* (ICMM). According to the classification of the dam (Ordinance 70.389/2017 of the ANM), all dams are audited by independent companies specialized in the subject, aiming to attest to the stability or not of the dams and identify preventive actions to ensure this stability. The Dam Safety Plan and CSN Mineração's Emergency Action Plan for Mining Dams (PAEBM) are finalized with all necessary volumes consolidated in compliance with the ANM ordinance.

On another front, 2020 also marked the end of the process of mischaracterization of our first Tailings Dam, Dam B5. During 2021 we continued to advance the schedule for decharacterization of the other 4 (four) dams of CSN Mineração. In this sense, still in February 2021, we will have completed the mischaracterization of our second dam - the Vigia Auxiliary Dam, leaving only 3 dams that will continue in the process of mischaracterization in the coming years. It is important to highlight that all dams of CSN Mineração are at zero emergency level, according to the National Mining Agency (ANM), and hold a declaration of stability issued by anm.

On environmental licenses, in 2020 we had the issuance of four important environmental licenses, all within the expected schedule to meet expansion projects:

- PDE Batateiro 3A (LIC+LO)
- Recyclable Warehouse (LAS)
- Plant Itabirito 10Mtpa (LP+LI)
- Licensed Muscat Addend
- Suppression Vegetation Channel Waist B4
- PDR Fraile II/CDRI/Integrated (LO)

• CMAI Fuel Station (LAS Cadastro)
• Warehouse Area 10 (Dispense)
• Expansion Lavra Corpo Norte / Stack CFM (DAIA)

Social Management

- **Job safety**

Safety is our main priority and the result of our efforts in search of the goal of zero accidents, has been successively reflected in our indicators.

CSN Mineração has Health and Safety guidelines based on good market practices, regulatory standards and national and international recommendations. Through its Corporate Policy on Sustainability, Environment, Health and Occupational Safety and its Occupational Safety and Health Management Manual, which contains guidelines to guide the actions of all its own employees and contracted companies regarding safety, proactivity, legal compliance, mitigation and control of hazards, risks and the prevention of occupational injuries and diseases through the ten elements aimed at defining responsibilities and the needs of specific prevention instruments.

These guidelines include but are not limited to: Commitment and Leadership; Communication; Rules and procedures; Behavioral Development; Risk and change management; Legal requirements; Planning; Management of service providers; Management of skills and abilities.

In order to monitor and measure policy effectiveness, CSN Mineração uses performance indicators that include: frequency and severity rate of accidents with and without injuries, both for own employees and for third parties; a behavioral audit, a specific web platform to record and report anomalies and report weekly indicators for high administration.

Highlights:

- Zero Fatality target and reduction of the annual accident frequency rate by 10% compared to the previous year;
- 40%reduction in the frequency rate of reported accidents in the last 3 years;
- 2.9%reduction in the severity rate of accidents in the last 3years;
- Opportunity to expand to other processes the tools of analysis of personal predisposition torisk, which had a coverage of 100 employees in 2020;
- Implementation of distribution control and registration of PPE delivery through an automated system, which has x and more safety to the worker by ensuring the periodicity of exchange and a reduction of costs for unnecessary losses.

- **Tackling COVID-19**

COVID-19 spread significantly on a global scale from March 2020, when the WHO (World Health Organization) decreed a global pandemic, a state that has the potential to cause significant global operational disruptions, increasing market volatility and affecting global and regional economies.

Like the whole planet, CSN Mineração was also surprised by this unprecedented crisis but, through the immediate establishment of the Prompt Response Management Committee (Crisis Committee) reacted quickly and diligently to, based on ethical standards of professional conduct and social responsibility, following all recommendations for prevention and containment of COVID-19 recommended by the competent health agencies to protect themselves, protect their employees the society around their operations, and the mining operation itself against the social and economic effects produced by the virus.

Among the actions adopted to protect its more than 9,000 direct and indirect employees, strict and technically validated health measures and processes were implemented for the indispensable protection of the health of each of those involved. Among them stand out:

- Strengthening the hygiene of environments;
- Availability of alcohol in gel 70%;
- Distribution of fabric masks for all employees;
- Increase, clarification and incentive to social distancing;
- Expansion of the chartered transport fleet by almost 100%, enabling a maximum occupancy of 50% in their buses;
- Strengthening internal publications with covid-19prevention information;
- Cancellation of face-to-face meetings, in units or outside, as well as participation in internal and external training, using electronic means to carry out work contacts;
- Cancellation of trips;

In addition to the adoption of validated medical protocols with:

- Body temperature measurement of all employees in access to mines and offices;
- RT-PCR testing on about 1,000 employees since the beginning of the pandemic, and immediate removal in cases of symptomatic collaborators and professionals who had contact with the suspected case, only returning to work after confirmation of negative test;
- Removal of cases tested positive for 14 days, according to the protocol of the Ministry of Health and WHO;
- Removal of employees from risk groups, according to who and ministry of health criteria, with *home-office* implementation;
- In addition, the Communication Management of CSN and CSN Mineração has been systematically disseminating behavioral reinforcement materials in the prevention of COVID-19 through the company's official communication channels (digital communications, marketing emails, CSN TV and Security Alerts).

These measures, among others, caused the contagion rates to remain low, preserving the health and lives of our employees and ensuring that there was no impact on our operational performance.

- **Diversity**

We are preparing the future of the CSN Group, which depends on the people and the quality of its human capital stock. One of our most relevant tasks is to identify young talent, promoting them to managerial positions and preparing them to be the future leaders of the company.

CSN Mineração has, through its parent company, a commitment to zero tolerance to any type of discrimination practice, expressed in its Code of Ethics. We understand that an inclusive and diverse environment is important to stimulate innovation and ensure the continuity of our business, CSN also believes that an inclusion approach is key to eliminating barriers that prevent the hiring and retention of women, and the consequent performance improvement due to gender diversity. In 2020, a bold goal was set: to double the female workforce at *CSN Mineração* by 2025.

However, during 2020, the advent of COVID-19 brought challenges to *CSN Mineração's* Diversity agenda, which had already been consolidating through face-to-face activities in 2019. Still, we were able to implement the Empowering Women Program, which began at the Presidente Vargas Plant, also at CSN Mineração, whose results will unfold throughout 2021.

- **Social Responsibility**

In the relationship with the community, CSN Mineração has a schedule of routine meetings held bimonthly with various representatives of the public/private authorities and communities, aiming to discuss demands, criticisms and suggestions for improvement in the minimization or mitigation of the socio-environmental impacts inherent to their enterprises.

Also, in this sense the "CSN Support House", located in the neighborhood called Residencial, in Congonhas-MG, is an important channel of communication with the community.

CSN Mineração's social responsibility projects aim to value the potential of people and regions where the Company operates, seeking partnership with the public authorities and civil society. These actions are implemented by the CSN Foundation and are committed to promoting the transformation of people and communities through social, educational and cultural development.

The Foundation carries out projects of direct execution in the main cities where the company has business units and provides support with the curatorship, selection and technical monitoring of projects of third parties that receive sponsorship of the group through tax incentive laws, thus expanding its social performance.

In 2020, the CSN Foundation expanded its expertise in curating projects of partner institutions. This year, R$50.5 million came from funds raised through *CSN Mineração.*

With projects of direct implementation in education, the CSN Foundation contributes to the democratization of access to education, supports professional training and the insertion of young people in the labor market. It offers scholarship programs at the Center for Technological Education in Congonhas (MG). In 2020, even adapting to the digital environment, the school maintained the schedule of activities of the face-to-face classes, with 219 scholarship students. In 2018, there were 348 scholarship students and in 2019, 260 scholarship students.

With the Young Apprentice Program, the CSN Foundation contributes to the insertion of young people in the labor market. Despite the pandemic, in 2020, 816 young people were treated through digital resources in the state of Minas Gerais. The program totals 6 units in Minas Gerais, being present in *Congonhas, Belo Horizonte, Conselheiro Lafaiete, Contagem, Ouro Branco and São Gonçalo do Rio Abaixo*. In 2018 there were 725 young people in 2019, 893 trained apprentices in Minas Gerais.

In the area of environmental education, the CSN Foundation executes the Environmental Education Program - PEA of *CSN Mineração,* offering training, courses, lectures, games and workshops in the municipalities of Congonhas, Belo Vale, Rio Acima Ouro Preto, Arcos and Pains. The program impacted 14,095 people in 2018; 11,082 people in 2019. In 2020, due to the pandemic, events and activities in schools and communities were interrupted, impacting the program's performance and 4,881 people were served mostly internally at *CSN Mineração.*

The Kid Citizen Project is sponsored by *CSN Mineração* and offers sociocultural workshops of music, dance, theater, art, communication and expression and skills and skills for 650 children and adolescents in the school shift in the cities of Congonhas (MG) and Itaguaí (RJ). In 2020, due to the pandemic, its performance became online, facing some inequalities of access and using available platforms to reach students. Many used their family's cell phones, which in turn began to monitor and interact during remote activities. The context provided the project with closer relationships with family members in the face of confrontations due to isolation and social distancing, welcoming and passing guidance on care in the pandemic.

Activities such as soirees, storytelling, theatrical presentations, workshops for creating instruments with recyclable materials and editing videos, among others, were developed throughout the year. In total, in 2020, there were 400 students attended in Congonhas (MG) and 250 in Itaguaí (RJ) and 98 cultural actions carried out in virtual formats such as *videos, lives,* music workshops, soirees, among others, reaching an audience of 101,697 people.

The CSN Foundation Cultural Center, although located in Volta Redonda (RJ), is also sponsored by *CSN Mineração*. It is a space with free programming, focused on the formation, dissemination and strengthening of art, education and culture, reinvented itself in the digital environment during the pandemic and expanded the possibilities of exchanges and connections from other regions of Brazil. Adapted its programming to an online agenda with virtual exhibitions, lives*,* podcasts, workshops, webseries, within other actions. The activities had themes related to education and contemplated manifestations of popular and urban culture and peripheral languages, through the participation of artists and culture-takers. Highlight for the participation of artists from Minas Gerais such as actress Ana Paula Semiçao Souza, Regina Bertola, director of the *Ponto de Partida* theater group and musicians such as Nilo Sérgio, Élcio Antônio, Lucas Resende, Ana Júlia Chinelato and Harley Oliveira and totaled an audience of 31,511 people.

The CSN Foundation understands the importance of political articulation in the search for a harmonious relationship between public authorities, local entrepreneurs, institutions and CSN in the communities in which it operates. He participates in local councils and agencies, empowers tutelary counselors, servants and educators, and organizes and integrates events, alongside local agents.

Espaço Comunidade CSN was created in December 2018 Congonhas (MG) with the purpose of developing *CSN Mineração's* relationship with the community, creating links, establishing dialogues and identifying possible opportunities. Before the spread of the pandemic in Brazil, between January and March 2020, *Espaço Comunidade CSN* performed 103 visits. After this date, *Espaço Comunidade CSN* suspended public service to comply with protocols and restrictive measures against COVID-19.

The CSN Foundation is also responsible for curating projects of partner institutions, in 2020, *CSN Mineração* supported 86 projects, thus expanding its social performance. Among the initiatives, the following stand out:

24th Tiradentes Film Festival;
Painting on canvas Series Bracher;
Coral City of the Prophets of Congonhas;
Barbacena's Starting Point Theatre Group;
Community Home for the elderly of the Worker of St. Joseph in Congonhas;
Financial Education in the Third Age for the Council of the Elderly of Congonhas;
Sociocultural project Caminhos do Amanhã in Belo Vale.

These actions demonstrate the company's social commitment to the communities in which it is inserted. Alongside partner entities we continue mobilized by a Brazil with more social inclusion and opportunities, doing well, doing more and doing it forever.

Governance management

CSN Mineração constantly seeks to develop mechanisms to improve the governance of ESG aspects. In 2020, it established a Department of Sustainability, Environment, Health and Safety at Work, with immediate reporting to the Company's CEO and corporate structure. This Board of Directors has synergistic operations with the CSN Foundation and with the financial and legal-corporate areas of the entire CSN Group.

In addition, at the end of 2020, the CSN Group undertook the establishment of an ESG Committee, an advisory structure of the CSN Board of Directors. The formalization of this structure will be completed in February 2021. The performance of the ESG committee in the CSN Group will have repercussions on the ESG management at *CSN Mineração.*

9 - STATEMENTS ON PROJECTIONS AND FUTURE PROSPECTS

This document contains statements about the future that express or suggest expectations of results, performance, or events. Actual results, performance and events may differ significantly from those expressed or suggested by statements about the future due to several factors, such as: general and economic conditions of Brazil and other countries, interest and exchange rates, future renegotiations and early payment of bonds or credits in foreign currency, protectionist measures in Brazil, USA and other countries, changes in laws and regulations and competitive factors in general , on a regional, national or global scale.

*CSN Mineração'*s financial information presented here in accordance with international financial reporting standards (IFRS) issued by *the International Accounting Standards Board* (IASB) and accounting practices adopted in Brazil. Non-financial information, as well as other operational information, was not audited by the independent auditors.

São Paulo, February 22, 2021

Financial Results of 2020 and Fourth Quarter

***CSN Mineração* presents its fourth quarter financial results of 2020 (4Q20)** in Brazilian Reais, with all our financial demonstrations developed and in conformity with the International Financial Reports Standards (IFRS), issued by the International Accounting Standards Board (IASB). It is also in accordance with Brazilians accounting practices and converging in plenitude with international accounting norms issued by the *Comitê de Pronunciamentos Contábeis (CPC)* and referenced by the *Comissão de Valores Mobiliários (CVM)*in consonance with CVM's instruction nº 485 from 09/01/2010.

All comments in this document refers to the consolidated financial results of the **Companies fourth quarter of the year 2020 (4Q20) and the entirety of the year 2020.** The comparisons are relative to the third quarter of 2020 (3Q20) and of the fourth quarter of 2019 (4Q19). The dollar exchange currency at 12/31/2020 was R$5.1967, at 09/30/2020 it was R$5.6407 and at 12/31/2019 it was R$4.0307.

Operational and Financial Highlights

2020

SUBSTANCIAL PRICE PERFORMANCE AND RECORD RESULTS

Mining EBITDA reaching **R$8,143MM**, linked with high price conduct.

ROBUST CASH POSITION AND LOW FINANCIAL LEVERAGE

Strong free cash flow generation of R$5.510MM **positively** influenced by the Company's operating performance with high prices and exchange rates at a favorable export trade level. The Company ended 2020's financial year with a cash balance of R$2,974MM and low leverage, with debt of R$1,325MM.

4Q20

HISTORICAL RESULTS

Historical Quarter EBITDA scores in Mining attaining R$3,176MM, surpassing 19.3% of the 3Q20 amount, due to rising in prices.

Net Revenue of R$4,516MM in virtue of positive price fluctuations, partially atoned by selling volume reduction.

HEFTY CASH POSITION AND DIVIDEND DISTRIBUTOR

Strong free cash flow generation of R$1.828MM positively determined by strong increase in the Platts Index during last quarter. With an excellent operating performance, the Company distributed dividends in 4Q20 in the total amount of R$1,300MM and deliberated interest on equity of R$405MM.

IPO PREPARATION

Primary offer brings R$ 1.3 billion to the cash, in order to accelerate the itabirito **P15 project.**

Consolidated Framework CMIN

	4Q20	3Q20	4Q19	2019	2020	4Q20 x 3Q20	4Q20 x 4Q19	2020 X 2019
Iron Ore Sales (thousand tons)	**8,638**	**9,165**	**10,334**	**38,545**	**31,155**	**-6%**	**-16%**	**-19%**
- Domestic Market	998	1,050	953	3,649	4,217	-5%	5%	16%
- Foreign market	7,640	8,115	9,382	34,896	26,938	-6%	-19%	-23%
Consolidated Results (R$ million)								
Net Revenue[(1)]	4,516	3,930	2,514	9,992	12,757	15%	80%	28%
Gross Profit	2,498	2,625	1,212	5,627	7,277	-5%	106%	29%
Adjusted EBITDA [(2)]	**3,176**	**2,663**	**1,290**	**5,900**	**8,143**	**19%**	**146%**	**38%**
'Ebtida Margin %	**70.34%**	**67.74%**	**51.30%**	**59.05%**	**63.83%**			

[1] Adjusted EBITDA is calculated from net income (loss), plus depreciation and amortization, taxes on profit, net financial income and the results of other operating income/expenses.
[2] Adjusted EBITDA is calculated from net income (loss), plus depreciation and amortization, taxes on income, net financial income, other operating income/expenses and equity income.

Operational Result *CSN Mineração*

China's economic stimulus during the entirety of the year 2020 granted a strong margin recuperation and heated the iron demand during 4Q20. The increase in demand ballooned the referenced prices, in consideration with the limited offer in the transoceanic market. The ore inventory in ports and power plants remain in a low level, granting high selling prices. In this context, **the iron ore finished the 4Q20 with an average of US$133.7/dmt (Platts, Fe62%, N. China) 13% higher in relation to the 3Q20 (US$118.2/dmt).** On annual bases, the price average **in 2020 was US$108.9/dmt, 17% higher** than 2019 **(US$93.4/dmt).**

Inventory of Iron Ore in Ports (thousand tons)

Inventory of Iron Ore in Mills

In relation to the **Sea Freight**, the maritime route BCI-C3 (*Tubarão-Qingdao*) reached an average of **US$15.63/wmt** in 4Q20 **12.5% lower** than last quarter, due to seasonality. On annual bases the freight reached an average of **US$14.82/wmt** in 2020, in contrast to last year's US$18.60.

- In **4Q20, CMIN's production +** iron ore purchase volume totaled 7.7 million tons, 19% lower than the previous quarter, mainly due to higher levels of rain in the seasonal period and temporary restrictions related to COVID-19. In **2020,** production + purchase of third parties reached 30.5 million tons, 20% below 2019 as an result of an above-average climatic factors in the first quarter, delays in licensing of mining fronts, and impacts and measures related to the pandemic with a one-off increase in absenteeism levels, already reverted to new sales.

- Over 4Q20 the sales amount attained 8.6 million tons, 6% lesser than last quarter, due to fewer ore disponibility. On 2020 the sales amount decreased 20% in relation to last year because of a lower production caused by heavy rains.

* Production Volume and Effective Purchasing

Consolidated Result *CSN Mineração*

- Adjusted **net revenue** in 2020 **and 4Q20** totaled R$12.757 million and R$4.516 million, respectively, being 28% and 80% higher than in 2019 and 4Q19, respectively. In an interest of an exchange rate devaluation and to Platts' rising price **(+17%** compared to 2019) despite the lower availability of ore for sale. Unit net **revenue in 4Q20** was **$96.88** per wet ton, up 21.5%from the previous quarter.

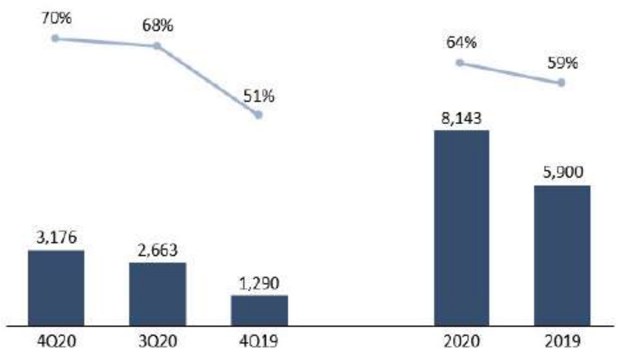
- In **2020,** the cost **of products sold** summed R$5,481 million, 26% higher than in 2019, due to a higher purchase of third-parties ore, and the increased price of this asset. The **cost of products sold** from mining accounted R**$2,018 million** in **4Q20,** 55% higher than in 3Q20 due to the accelerated depreciation of the technical and functional obsolescence of dams, the rise of the Platts index in 4Q20 also impacted the cost of ore purchase. The cost C1 was USD16.5/t in 4Q20, an increase of 8% compared to 3Q20 mainly concentrated on a higher port expenditure, also impacted by the Platts Index.

- EBITDA **reached R$8.143** million and **R$3.176 million in 2020 and 4Q20,** with both annual and quarterly records. EBITDA margin of 63.8% and 70.3%, respectively, as a reflection of Platts' appreciation.

	4Q20	3Q20	4Q19	2019	2020	4Q20 x 3Q20	4Q20 x 4Q19	2020 x 2019
Net Income /(Loss) for the period	1,342	1,467	712	3,664	4,031	(125)	630	366
(-) Depreciation	767	164	132	468	1,213	603	636	745
(-) IR e CSLL	516	744	300	1,531	1,759	(228)	216	228
(-) Net financial result	363	96	74	108	512	268	290	404
EBITDA (ICVM 527)	**2,989**	**2,472**	**1,217**	**5,772**	**7,515**	**517**	**1,772**	**1,744**
(+) Income from equity	31	18	1	55	49	12	29	(7)
(-) Other Operating Income/Expenses	218	209	73	184	676	9	145	492
Adjusted EBITDA	**3,176**	**2,663**	**1,290**	**5,900**	**8,143**	**514**	**1,887**	**2,243**

[1] The Company discloses its adjusted EBITDA excluding other operating income (expenses) because it understands that it should not be considered in the calculation of recurring operating cash generation.

Adjusted EBITDA (R$ MM) and Adjusted Margin[1] (%)



[1] Adjusted EBITDA Margin is calculated from the division between Adjusted EBITDA and Net Revenue

- **During 2020 the Gross Profit cumulated R$7,277 million**, an 29% increment in comparison to 2019. **In 4Q20 the Gross Profit summed R$2,498 million**, 5% lower than last quarter. The Gross margin reduced 12 percentual points in contrast to 3Q20, devolving to 55% in 4Q20, largely due to rapid dams depreciation.

- During **2020** reached a negative amount of R$676 million. Mainly to the effects of cash flow hedge strategies of the derivative instrument of the Platts index, the operational idleness caused by the delay on environmental licenses liberations, and the implementation of dry filtering process during first quarter.

- **During 2020 the Financial Result** summed a negative result of R$512 million, due to the appreciation in currency fluctuations of the Dollar against the Real, summed with monetary adjustments of commitments with maturities above 90 days.

	4Q20	3Q20	4Q19	2019	2020	4Q20 x 3Q20	4Q20 x 4Q19	2020 X 2019
Financial Results - IFRS	**(363)**	**(96)**	**(74)**	**(108)**	**(512)**	**(268)**	**(290)**	**404**
Financial Revenues	**5**	**5**	**6**	**31**	**28**	**(0)**	**(1)**	**3**
Financial Expenses	**(369)**	**(101)**	**(80)**	**(139)**	**(541)**	**(268)**	**(289)**	**402**
Financial Expenses (ex-exchange variation)	(195)	(77)	(32)	(176)	(404)	(118)	(163)	228
Income with Exchange Variation	(174)	(24)	(48)	37	(136)	(149)	(126)	174

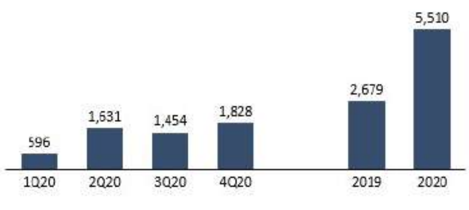
- **In 2020 the Equity Result was positive by R$48 million** against the R$55 million in 2019, in function of the MRS result.

- In 2020 the Company registered a **Net Profit of R$4,031 million**, in comparison of 2019's R$3,664 million profit. This was possible due to increments in the operations results, currency fluctuations and the rising prices of the Platts Index.

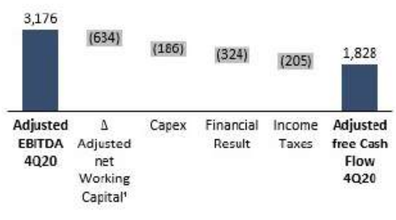
Free Cash Flow[1]

The Free Cash Flow in this quarter attained R$1,828 million, determined by the exceptional operational performance. In 2020 the Free Cash Flow summed R$5,510 million, boosted by the high ore demand and rising prices of the Platts Index.

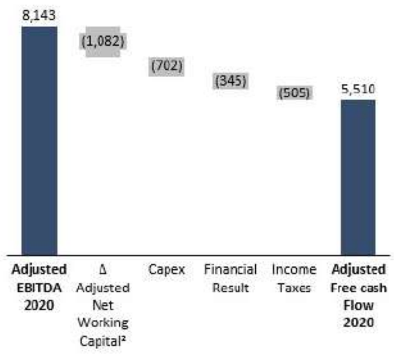
Free Cash Flow R$MM



Free Cash Flow 4Q20[1] R$MM



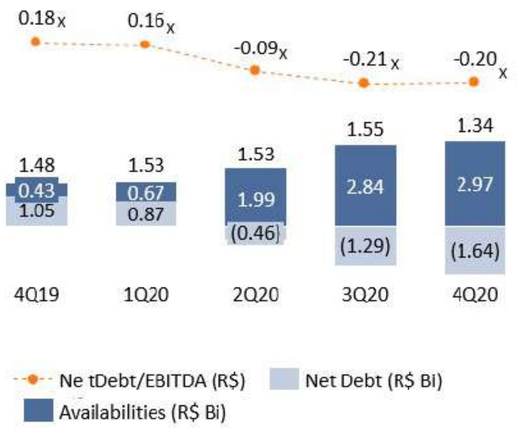
Free Cash Flow 2020[1] R$MM



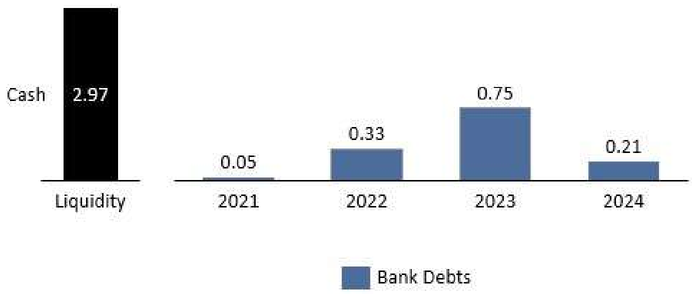
[1]The concept of free cash flow is calculated from adjusted Ebitda, subtracting CAPEX, IR and CSLL, Financial Results and changes in Net Working Capital[1], and excluding the effect of Glencore's advances.
[2]Adjusted Working Capital[2] for the quarter consists of the change in Net Working Capital (+R$819MM), plus the change in long-term asset and liability accounts (-R$185MM).
[3] The Adjusted Working Capital 2020 is composed of the change in Net Working Capital (-R$1,147MM), plus the change in long-term asset and liability accounts (+R$65MM).

Endividamento

On December 31, 2020, *CSN Mineração* Net Debt was negative reaching R$1,648 million in order of a strong cash generation in the period. The leverage indicator measured by the Net Debt/EBITDA ratio was -0.20x.



In 4Q20, the Company made amortizations in the amount of R$344 million and raising funds of R$131 million. The Company has enough cash for full payment of its debt.



Investments

CSN Mineração invested R$702 million in 2020, especially in projects to reduce tailings waste, improve mass recovery and iron ore quality, increase the safety and stability of its dams, filter tailings and priority projects for safety and reliability of operations.

	2020	4Q20	3Q20	2019	4Q19
Business Expansion	128	35	28	174	28
Operational Continuity	574	151	189	576	164
Total Investments IFRS	**702**	**186**	**216**	**750**	**192**

Net Working Capital

The Net Working Capital applied to the business totaled **R$2.211 million in 4Q20,** an increase ofR$1,147 million compared to 4Q19, due to the excellent operational performance and consequent increase in the Company's receivables.

	4Q20	3Q20	4Q19	2020	2019
Assets	**3,660**	**3,094**	**2,160**	**3,660**	**2,160**
Accounts Recivable	2,826	2,291	1,434	2,826	1,434
Inventory[3]	660	704	552	660	552
Recovarable taxes	66	39	54	66	54
Prepaid Expenses	91	16	103	91	103
Other NWC Expenses [1]	17	44	39	17	39
Liabilities	**1,450**	**1,703**	**1,097**	**1,450**	**1,097**
Suppliers	1,043	1,311	836	1,043	836
Labor Obligations	98	124	106	98	106
Recovarable taxes	165	116	83	165	83
Clients Advances	92	99	16	92	16
Other Liabilities [2]	52	53	56	52	56
Net Working Capital	**2,210**	**1,391**	**1,063**	**2,210**	**1,063**

The calculation of the Net Working Capital applied to the business does not take from Glencore's advances, as shown in the following table:

[1]Other CCL Assets: Considers: Advance employees and other accounts receivable
[2]ToOest CCL Liabilities: Considers: Other accounts payable, installment taxes and other provisions
[3]Inventories: Does not consider the effect of the provision for inventory losses. For the calculation of the SME are not considered the balances of warehouse stocks.

4Q20 Results Presentation Webcast	Investor Relations Team
Conference call in Portuguese with simultaneous translation to English	CFO e Diretor Executivo de RI – Pedro Oliva
February 23, 2021	José Henrique Triques (jose.triques@csn.com.br)
11h00 (Brasília Time)	Danilo Dias (danilo.dias@csn.com.br)
10:00 am (New York Time)	
Tel.: +55 11 3181-8565 / +55 11 4210-1803	
Código: CMIN	
Tel. replay: +55 11 3193-1012	
Código replay: 8816464#	
Webcast: clique aqui	

Some of the statements contained here are future perspectives that express or imply expected results, performance or events. These prospects include future results that may be influenced by historical results and by the statements made in 'Perspectives'. The current results, performance and events can differ significantly from the assumptions and perspectives and involve risks such as: general and economic conditions in Brazil and other countries; interest and exchange rate levels, protectionist measures in the USA, Brazil and other countries, changes in laws and regulations and general competitive factors (on a global, regional or national basis).

ESG – Environmental, Social & Governance

Important initiatives marked the year 2020 in the development of ESG themes at CSN Mineração. In October, through its parent company, CSN Mineração became a signatory to the United Nations Global Compact, joining the organization's Climate Action Platform.

In December, the Integrated Report of the CSN Group - biennium 2018/2019: *GRI Standards* was disclosed, contemplating information and relevant aspects of management of CSN Mineração. In addition, there was the launch of the ESG (esg.csn.com.br) website, which aggregates information from the entire CSN Group, and the realization of our First ESG Week, an *online event* that brought the ESG concept and management of the CSN Group to internal and external audiences, in addition to having the participation of experts in the three pillars.

Also in December, the CSN Group's CEO was approved and the Integrated Policy on Sustainability, Environment, Health and Safety at Work was announced, valid for all csn group companies. Rescuing the acronym "SEMPRE", already widely present in the management of the CSN group, the new Policy formalizes the commitment of CSN companies, among them CSN Mineração with the Sustainable Development Goals (SDGs), of the United Nations, and reinforces the importance of safe, ethical, trans parent, inclusive behavior, protection of the environment and biodiversity, seeking to promote these principles throughout its value chain.

Finally, we have established ESG ambitions of the CSN Group, and specific to CSN Mineração, which will guide our journey towards a more efficient, integrated and sustainable management, among them:

1. **Gender equality**: doubling, by 2025, the percentage of women in CSN Mineração workforce, based on the 2019 figures;
2. **GHG emissions:** reduce by 10% the intensity of GHG emissions (tCO2e/ton of ore produced) of scopes 1 and 2 by 2030;
3. **Energy**: achieve energy from 100% renewable sources by 2021;
4. **Water:** reduce by 10%, by 2030, the capture of water per ton of ore produced, base 2019;
5. **Certifications:** certify, by 2021, the PORT TECAR at ISO 14.001:2015;
6. **Occupational Safety**: in addition to zero accident, which is the main objective, the goal is to reduce by 10% year-on-year the frequency rate of accidents;

A - ENVIRONMENTAL MANAGEMENT

The Company has an Environmental Management System (SGA), implemented according to the requirements of the international standard ISO 14001: 2015 and certified by an independent international body duly accredited with INMETRO, in its Stone House unit (ISO 14,001) since 2000.

CSN Mineração reports its emissions in an integrated manner to its parent company, following *the GHG Protocol guidelines* to support its carbon management, risk mitigation and adaptation to climate change. For the sixth consecutive year, the CSN Group received the *GHG Protocol Gold Seal* for reporting emissions from all its units and subject to external verification. Also responding to the request of investors, the CSN Group reports *annually to the Carbon Disclosure Project* (CDP) the guidelines followed regarding climate change, supply chain and water security. In 2020, we had a score improvement in Climate Change from D to C, corroborating the commitment to the continuous improvement of our GHG emissions in CSN companies. In 2021 CSN Mineração will also report its emissions in cdp individually.

CSN Mineração is committed to the responsible management of its water resources. To meet this commitment, we have more than 40 control systems for effluents and drainages and more than 30 monitoring points in the watercourses located in the area of influence of the enterprise, continuously investing in new technologies. In addition to the 32% reduction in water consumption achieved in 2020 through the implementation of filtration technology and dry stacking of tailings, by 2023, we will reduce water consumption in the Central Plant by 45% and raise the circulation rate of this plant from the current 80% to the level of 95%.

In addition, for 2021, the World Wildlife Fund - WWF and *Aqueduct's Water Risk Filter* tools of *the World Resources Institute* - WRI are planned to evaluate physical, regulatory and operational risks of the basins, in addition to the company's own operational risk, in order to contribute to the reporting of *gri standards* water indicators, version 2018, CDP Water Safety and SASB.

Regarding the energy matrix used by the Company in 2019 and 2020, we had 100% of the energy used from renewable sources and we reached in advance the ambition established for the year 2021, which became definitive for CSN Mineração.

Valuing the protection of biodiversity, we preserve and protect more than 4,000 hectares, an area 3 times larger than our operational area, being: 1,847 hectares of legal reserve and RPPN areas, with predominant vegetation of Semi decidual Seasonal Forest in high degree of preservation, and another 2,584 hectares recovered, in recovery and/or conserved within the Atlantic Forest biome in the triennium 2018/2019/2020

In 2020, CSN Mineração carried out important actions aimed at protecting biodiversity: land regularization and donation to ICMBIO of areas in the National Parks of Sempre Vivas and Cavernas do Peruaçu National Park, all of which were included in the São Francisco River watershed, contributing to the conservation of biodiversity and water recharge in that region. In addition, another 550 hectares of areas used by mining, including sterile piles and tailings, are recomposed by planting hydro sowing and seedlings, creating green areas and mitigating impacts related to particulate matter emissions.

MANAGEMENT OF DAMS AND ENVIRONMENTAL LICENSES

The company is at the forefront of mining tailings management worldwide, having invested around R$ 400 million in technologies that have enabled better management of tailings with dry filtration and stacking, making since the beginning of 2020 our processes 100% independent of the use of the tailings dam,

We follow the guidelines and recommendations on the operation and safety of dams established by ICOLD*(International Commission on Large Dams),*an international non-governmental commission, which encourages the exchange of information on planning, design, construction and operation of large dams. These standards and practices are in line with the requirements of the International Council on Mining and *Metals*(ICMM). According to the classification of the dam (Ordinance 70.389/2017 of the ANM), all dams are audited by independent companies specialized in the subject, aiming to attest to the stability or not of the dams and identify preventive actions to ensure this stability

On another front, 2020 also marked the end of the process of mischaracterization of our first Tailings Dam, Dam B5. During 2021 we continued to advance the schedule for decharacterization of the other 4 (four) dams of CSN Mineração. It is important to highlight that all dams of CSN Mineração are at zero emergency level, according to the National Mining Agency (ANM), and hold a declaration of stability issued by anm.

B - SOCIAL MANAGEMENT

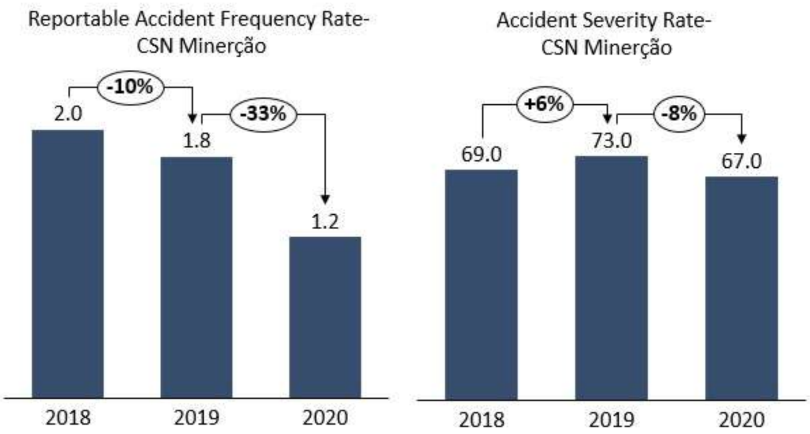
SAFETY OF WORK:

Safety is our main priority and the result of our efforts in search of the goal of zero accidents, has been successively reflected in our indicators.

CSN Mineração has Health and Safety guidelines based on good market practices, regulatory standards and national and international recommendations. Through the Corporate Policy of Sustainability, Environment and Health and Safety of the CSN Group and its Specific Manual of Occupational Safety and Health Management, which contains guidelines to guide the actions of all its own employees and contracted companies regarding safety, proactivity, legal compliance, mitigation and control of hazards, risks and the prevention of occupational injuries and diseases through the ten elements aimed at defining responsibilities and the needs of specific prevention instruments.
These guidelines include, but are not limited to: Commitment and Leadership; Communication; Rules and procedures; Behavioral Development; Risk and change management; Legal requirements; Planning; Management of service providers; Management of skills and abilities.

In order to monitor and measure policy effectiveness, CSN Mineração uses performance indicators that include: frequency and severity rate of accidents with and without injuries, both for own employees and for third parties; a behavioral audit, a specific web platform to record and report anomalies and report weekly indicators for high administration.

The year 2020 brought significant results in our safety indicators, among which:



In the last quarter of 2020 we were also able to complete the implantation of distribution control and registration of PPE delivery through automated system, which brought more safety to the worker by ensuring the periodicity of exchange and a reduction of costs for unnecessary losses.

Also through the use of state-of-the-art technology was implanted in all large equipment a system for identifying signs of operator fatigue, where it was possible to observe a 100% reduction in accidents in operations,

FACING COVID-19

Among the actions adopted to protect its more than 6,400 employees, strict and technically validated health measures and processes were implemented for the indispensable protection of the health of each of those involved. Among them stand out:

- Strengthening the hygiene of environments;
- Availability of alcohol in gel 70%;
- Distribution of fabric masks for all employees;
- Increase, clarification and incentive to social distancing;
- Expansion of the chartered transport fleet by almost 100%, enabling a maximum occupancy of 50% in their buses;
- Strengthening internal publications with covid-19 prevention information;
- Cancellation of face-to-face meetings, in units or outside, as well as participation in internal and external training, using electronic means to carry out work contacts;
- Cancellation of trips;

In addition to the adoption of validated medical protocols with:

- Body temperature measurement of all employees in access to mines and offices;
- RT-PCR testing on about 1,454 employees in 2020, and immediate removal in cases of symptomatic and professional collaborators who had contact with the suspected case, only returning to work after confirmation of negative test;
- Removal of cases tested positive for 14 days, according to the protocol of the Ministry of Health and WHO;
- Removal of employees from risk groups, according to who and ministry of health criteria, with home-office implementation;
- In addition, the Communication Management of CSN and CSN Mineração has been systematically disseminating behavioral reinforcement materials in the prevention of COVID-19 through the company's official communication channels (digital communications, marketing emails, CSN TV and Security Alerts).

These measures, among others, helped preserve the health and lives of our employees and ensure that there was no impact on our operational performance.

Diversity

We are preparing the future of CSN Mineração, which depends on people and the quality of its human capital stock. One of our most relevant tasks is to identify young talent, promoting them to managerial positions and preparing them to be the future leaders of the company.

CSN Mineração has, through its parent company, a commitment to zero tolerance to any type of discrimination practice, expressed in its Code of Ethics. We understand that an inclusive and diverse environment is important to stimulate innovation and ensure the continuity of our business, CSN Mineração also believes that an inclusion approach is key to eliminating barriers that prevent the hiring and retention of women, and the consequent improvement of performance due to gender diversity. In 2020, a bold goal was set: to double the female workforce at CSN Mineração by 2025.

However, during 2020, the advent of COVID-19 brought challenges to CSN Mineração Diversity agenda, which had already been consolidated through face-to-face activities in 2019. Still, we were able to implement the Empowering Women Program, which began at the Presidente Vargas Plant, also at CSN Mineração, whose results will unfold throughout 2021.

SOCIAL RESPONSIBILITY

In the relationship with the community, CSN Mineração has a schedule of routine meetings held bimonthly with various representatives of the public/private authorities and communities, aiming to discuss demands, criticisms and suggestions for improvement in the minimization or mitigation of the socio-environmental impacts inherent to their enterprises.

Also in this sense the "CSN Support House", located in the neighborhood called Residencial, in Congonhas-MG, is an important channel of communication with the community.

CSN Mineração social responsibility projects aim to value the potential of people and regions where the Company operates, seeking partnership with the public authorities and civil society. These actions are implemented by the CSN Foundation and are committed to promoting the transformation of people and communities through social, educational and cultural development.

With projects of direct implementation in education, the CSN Foundation contributes to the democratization of access to education, supports professional training and the insertion of young people in the labor market. It offers scholarship programs at the Center for Technological Education in Congonhas (MG). In 2020, even adapting to the digital environment, the school maintained the schedule of activities of the face-to-face classes, with 219 scholarship students. In 2018, there were 348 scholarship students and in 2019, 260 scholarship students.

Our other programs are:

Youth Program
Environmental Education Program - PEA
Citizen Boy Project
The CSN Foundation Cultural Center
The CSN Community Space

The CSN Foundation is also responsible for curating projects of partner institutions, in 2020, CSN supported 86 projects, thus expanding its social performance.

These actions demonstrate the company's social commitment to the communities in which it is inserted. Alongside partner entities we continue mobilized by a Brazil with more social inclusion and opportunities, doing well, doing more and doing it forever.

C - GOVERNANCE MANAGEMENT

CSN Mineração constantly seeks to develop mechanisms to improve the governance of ESG aspects. In 2020, The CSN Group established a Sustainability, Environment, Health and Safety at Work Board, with immediate reporting to the Company's CEO and corporate structure, which operates in an integrated manner with the General Management of Environment, Health and Safety of CSN Mineração and its entire executive and technical staff This Corporate Board has synergistic performance with the CSN Foundation and with the financial and legal-corporate areas of the entire CSN Group.

In addition, at the end of 2020, the CSN Group began the establishment of an ESG Committee, an advisory structure of the Board of Directors of the CSN Group, which will be formalized in February 2021. The performance of the ESG committee of the CSN Group will certainly bring positive repercussions also in the ESG management at CSN Mineração

INCOME STATEMENT
Corporate Law – in Thousands of Reais

	4Q20	3Q20	4Q19	2020	2019
Net Sales Revenue	**4,852,008**	**4,238,829**	**3,176,678**	**13,789,531**	**11,455,946**
Internal market	487,638	420,543	233,673	1,496,600	891,133
External Market	4,364,370	3,818,286	2,943,005	12,292,931	10,564,813
Cost of Goods Sold (CPV)	**(2,018,349)**	**(1,304,771)**	**(1,302,090)**	**(5,480,608)**	**(4,364,471)**
CPV, without Depreciation and Exhaustion	(1,251,003)	(1,140,380)	(1,170,348)	(4,267,706)	(3,896,314)
Depreciation/Exhaustion answered at cost	(767,346)	(164,391)	(131,742)	(1,212,902)	(468,157)
Gross Profit	**2,833,659**	**2,934,058**	**1,874,588**	**8,308,923**	**7,091,475**
Gross Margin (%)					
Sales Expenses	(381,417)	(398,052)	(678,871)	(1,219,967)	(1,506,414)
General and Administrative Expenses	(43,107)	(37,866)	(37,896)	(159,249)	(153,190)
Depreciation and Amortization in Expenses	(12)	(12)	(12)	(47)	(53)
Other Operating Income (expenses)	(218,012)	(209,175)	(73,446)	(675,806)	(183,702)
Equity Income	30,537	18,440	1,225	48,534	55,202
Operating Profit before Financial Result	**2,221,648**	**2,307,393**	**1,085,588**	**6,302,388**	**5,303,318**
Net Financial Result	(363,378)	(95,764)	(73,689)	(512,391)	(108,113)
Profit Before Tax	**1,858,270**	**2,211,629**	**1,011,899**	**5,789,997**	**5,195,205**
Current income tax and social contribution	(516,282)	(744,148)	(299,866)	(1,759,287)	(1,530,942)
Net Profit	**1,341,988**	**1,467,481**	**712,033**	**4,030,710**	**3,664,263**

The table below is intended to present the statement of the Company's income in full on fob basis:

	4Q20	3Q20	4Q19	2020	2019
Net sales revenue	4,852,008	4,238,829	3,176,678	13,789,531	11,455,946
Freight and maritime insurance	(336,110)	(308,559)	(663,025)	(1,032,402)	(1,464,369)
Adjusted net revenue - FOB base	**4,515,898**	**3,930,270**	**2,513,653**	**12,757,129**	**9,991,577**
COSG	(2,018,349)	(1,304,771)	(1,302,090)	(5,480,608)	(4,364,471)
COSG without depreciation	(1,251,003)	(1,140,380)	(1,170,348)	(4,267,706)	(3,896,314)
Depreciation	(767,346)	(164,391)	(131,742)	(1,212,902)	(468,157)
Adjusted gross profit - FOB base	**2,497,549**	**2,625,499**	**1,211,563**	**7,276,521**	**5,627,106**
Adjusted gross margin - FOB base (%)	**55%**	**67%**	**48%**	**57%**	**56%**
Adjusted SG&A expense - FOB base	**(88,426)**	**(127,371)**	**(53,754)**	**(346,861)**	**(195,288)**
SG&A Expenses	(424,536)	(435,930)	(716,779)	(1,379,263)	(1,659,657)
Freight and maritime insurance	336,110	308,559	663,025	1,032,402	1,464,369
Other operating income (expenses), net	**(218,012)**	**(209,175)**	**(73,446)**	**(675,806)**	**(183,702)**
Equity income	**30,537**	**18,440**	**1,225**	**48,534**	**55,202**
Financial result, net	**(363,378)**	**(95,764)**	**(73,689)**	**(512,391)**	**(108,113)**
Result before IR and CSLL	1,858,270	2,211,629	1,011,899	5,789,997	5,195,205
IR e CSLL	(516,282)	(744,148)	(299,866)	(1,759,287)	(1,530,942)
Net income for the period	1,341,988	1,467,481	712,033	4,030,710	3,664,263
	(336,110)	(308,559)	(663,025)	(1,032,402)	(1,464,369)
	292,991	270,681	625,117	873,106	1,311,126

BALANCE SHEET
Corporate Law - In Thousands of Reais

	12/31/2020	09/30/2020	12/31/2019
Current Assets	**6,597,075**	**5,884,519**	**2,646,338**
Cash and Cash Equivalents	2,972,521	2,844,115	428,077
Financial Investments	1,425	3,148	36,132
Accounts Receivable	2,825,734	2,290,665	1,434,073
Inventory	512,440	562,319	468,433
Recoverable taxes	66,120	39,154	53,969
Other Current Assets	218,835	145,118	225,654
Advances to Suppliers	92,207	84,788	83,209
Other Assets	126,628	60,330	142,445
Non-Current Assets	**13,025,331**	**13,492,804**	**13,231,609**
Recoverable taxes	77,429	77,806	74,195
Long Term Inventory	347,304	144,499	144,499
Other Non-Current Assets	286,498	503,292	385,929
Advances to Suppliers	222,834	261,430	318,967
Other Assets	63,664	241,862	66,962
Investments	1,225,372	1,227,076	1,197,938
Immobilized	6,852,757	7,300,592	7,186,660
Immobilized in Operation	4,912,678	5,463,679	5,561,750
Right of Use in Lease	82,717	85,829	88,807
Ongoing Immobilized	1,857,362	1,751,084	1,536,103
Intangible	4,235,971	4,239,539	4,242,388
TOTAL ASSET	**19,622,406**	**19,377,323**	**15,877,947**
Current Liabilities	**4,598,123**	**4,468,250**	**2,176,596**
Social and Labor Obligations	65,950	95,890	66,893
Suppliers	1,393,323	1,341,843	825,571
Tax Obligations	1,710,484	1,397,596	404,094
Loans and Financing	45,014	213,635	43,347
Advance of customers	884,472	800,562	699,494
Dividends and JCP payable	344,200	223,643	-
Other Obligations	146,802	388,458	133,117
Lease liabilities	7,741	10,986	3,886
Derivative financial instruments	893	263,283	-
Other obligations	138,168	114,189	129,231
Labor and Civil Social Security Tax Provisions	7,878	6,623	4,080
Non-Current Liabilities	**4,422,586**	**4,240,931**	**4,343,814**
Loans, Financing and Debentures	1,280,000	1,338,372	1,436,636
Suppliers	166,774	-	-
Advance of customers	1,722,281	1,933,673	1,840,929
Environmental liabilities and deactivation	444,522	332,211	330,560
Other Obligations	317,807	215,706	239,526
Lease liabilities	74,360	74,579	82,076
Taxes to offset	161,366	61,659	65,428
Other accounts payable	82,081	79,468	92,022
Deferred Taxes	436,463	366,386	433,485
Provisions for Environmental Liabilities and Deactivation	54,739	54,583	62,678
Equity	**10,601,697**	**10,668,142**	**9,357,537**
Realized Share Capital	6,103,873	6,103,873	6,103,873
Capital Reserve	141,723	141,723	141,723
Profit Reserves	4,029,643	1,703,874	2,783,874
Accumulated Profit/(loss)	-	2,465,079	-
Equity Valuation Adjustments	322,635	322,635	322,635
Other Comprehensive Results	3,823	(69,042)	5,432
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**19,622,406**	**19,377,323**	**15,877,947**

CASH FLOW STATEMENT
Corporate Law – in Thousands of Reais

	4Q20	3Q20
Net Cash generated by Operating Activities	**1,845,832**	**2,107,907**
Net income / Loss for the period	1,341,988	1,467,481
Equity in results of affiliated companies	(30,537)	(18,440)
Monetary and exchange rate variation, net	1,274	(16,281)
Charges on lease liabilities	10,393	11,022
Charges on loans and financing raised	(16,047)	(14,413)
Charges on loans and financing granted	1,575	1,818
Losses with derivative instrument	117,400	182,185
Amortization transaction cost	1,110	727
Depreciation and amortization	773,812	164,646
Deferred taxes	516,282	744,148
Income from the loss or disposal of assets	1,762	-
Other	(10,262)	(6,223)
Working Capital Variation	**(435,895)**	**(291,227)**
Accounts Receivable - Clients	(505,097)	(1,037,180)
Inventory	49,879	(19,141)
Recoverable Taxes	(26,588)	3,209
Other assets	(18,535)	(181,808)
Accounts receivable - CSN	31,176	18,191
Suppliers	84,076	444,327
Payroll and related taxes	(29,939)	805
Taxes to offset	71,957	31,794
Accounts receivable- Glencore	(120,493)	464,222
Other accounts payable	27,669	(15,646)
Other Payments and Receipts	**(427,023)**	**(117,536)**
Hedge Accounting cash flow	(267,771)	(31,814)
Dividends Received MRS	45,166	-
Income tax and social contribution paid	(204,418)	(85,722)
Interest paid on loans and financing	(11,898)	(9,232)
Cash Flow from Investing Activities	**(186,484)**	**(152,592)**
Acquisition of intangible assets	(186,484)	(152,592)
Cash Flow from Financing Activities	**(1,519,044)**	**(1,094,125)**
Loans and financing raised	(344,299)	(9,931)
Borrowings	130,668	-
Borrowing costs	(265)	-
Dividends paid	(1,300,000)	(1,080,000)
Lease amortizations	(5,148)	(4,194)
Exchange Rate Variation on Cash and Cash Equivalents	**128,406**	**851,958**
Cash and cash equivalents at the beginning of the period	2,844,115	1,992,157
Cash and cash equivalents at the end of the period	2,972,521	2,844,115

11.1 Projections

The Company clarifies that the information disclosed in this item represents mere estimation, hypothetical data and in no way constitute a promise of future performance on the part of the Company and/or its directors. The projections presented below involve market factors beyond the Company's control and, thus, may change.

a) **Projection object**.

The Company estimates the following variables below.

Projections		2021 E		2021-2025 E
EBITDA (R$ million) - Mining		-		-
CAPEX Expansion (R$ million) - Mining	R$	1,000	R$	14,000
Iron Ore Production Volume (kton)		38,000 – 40,000		-
Cash Cost Mining (US$/ton)	$	16.0		-

b) **Projected period and projection validity**.

The projected periods and expiration dates can be seen in the table above in item 11.1 a), the numbers are always presented at the end of the fiscal year and duly published in the DFPs of each fiscal year.

c) Projection assumptions**: some variables can be influenced by external factors and may scape our control**

All the projection assumptions mentioned above are subject to the influence of external factors, which are outside Company's control. Therefore, in the event of any material change in these assumptions, the Company may revise its estimates, changing them compared to those originally presented.

The main premise that can be influenced by the Company's management would be its production and sales volumes, along with the associated costs.

The volume of ore production will always consider our 2021 mining plan, with increased *pellet feed production,* on the other hand key factors such as sales prices and raw material *inputs* are outside the Company's control.

d) Forecast indicator values.

The values can be found above in item 11.1 a).

11.2 **In the event that the issuer has disclosed, during the last 3 fiscal years, projections on the evolution of its indicators:**

a) **inform which ones are being replaced by new projections included and which of them are being repeated**.

Repeated estimates:

Projections		2021 E		2021-2025 E
EBITDA (R$ million) - Mining		-		-
CAPEX Expansion (R$ million) - Mining	R$	1,000	R$	14,000
Iron Ore Production Volume (kton)		38,000 – 40,000		-

Cash Cost Mining (US$/ton)	$	16.0	-

Replaced estimates:

Not applicable.

b) **as for projections related to periods already elapsed, compare the projected data with the effective performance of the indicators, clearly indicating the reasons that led to deviations in the projections.**

Projections	2020 Projection		2020 Achieved		Variation	
EBITDA (R$ million) - Mining	R$	7,650	R$	8,191	R$	541
Iron Ore Production Volume (kton)		33,000		30,666	-	2,334
Cost Mining (US$/ton)	$	17.0	$	16.5	$	-0.5

EBITDA – the R$541 million variation above expected was due to the higher iron ore price during 4Q20.

Production Volume – the negative variation of 2,3Mton was due to rains, pandemic impacts and lower availability of iron ore compared to expected.

c) **projections for periods still in progress, to inform whether the projections remain valid on the date of delivery of the form and, where appropriate, to explain why they have been abandoned or replaced**.

Estimativas em curso e válidas:

Projections	2021 E	2021-2025 E
EBITDA (R$ million) - Mining	-	-
CAPEX Expansion (R$ million) - Mining	R$ 1,000	R$ 14,000
Iron Ore Production Volume (kton)	38,000 – 40,000	-
Cash Cost Mining (US$/ton)	$ 16.0	-

Pullout estimates in the last 3 exercises:

Not applicable.

Audit Committee Report

1. Introduction and General Information

The Audit Committee ("Committee") of CSN Mineração S.A ("Company") was created on January 21, 2021, in the meeting of the Board of Directors of the Company held on the referred date, when the Internal Rules of the Committee were also approved ("Internal Rules"), as a non-statutory advisory body linked to the Board of Directors, with operational autonomy and own annual budget.

As set forth in the Internal Rules, the Committee is formed by, at least, three (3) members, all elected by the Board of Directors, with term in office of two (2) years, reelection being allowed, being (i) at least one (1) an independent member of the Board of Directors; and (ii) at least one (1) with recognized expertise in corporate accounting matters (being allowed that the same member of the Committee cumulate the conditions of referred items (i) e (ii)). Additionally, the Committee has a chairman, who is chosen among its members.

In this sense, Mrs. Angélica Maria de Queiroz and Messrs. Tufi Daher Filho and Yoshiaki Nakano were elected members of the Committee in the Board of Directors' meeting held on January 28, 2021, and Mr. Tufi Daher Filho was appointed the Chairman of the Committee.

Among the attributions of the Committee, worth highlighting the advice to the Board of the Directors of the Company, on the monitoring and quality control of the financial statements, internal controls, compliance and risk management, as well as with regard to the result of the internal audits and investigations.

On February 22, 2021, the Committee held its first meeting to review and assess the financial statements of the Company of the fiscal year ended on December 31, 2020.

2. Financial Statements of the 2020 Fiscal Year.

The Committee, in the exercise of its duties and legal responsibilities, as set forth in the Internal Rules, reviewed and assessed the Financial Statements of the Company, accompanied by the Independent Auditors Report and Management Report, related to the fiscal year ended on December 31, 2020 ("2020 Financial Statements").

The Committee received the representatives of Grant Thornton Auditores Independentes, who reported about the proceeding to conclude 2020 Financial Statements audit.

After reviewing and discussing the 2020 Financial Statements, the Committee concluded that referred documents, in all relevant aspects, are adequate to be presented to the Board of Directors, in order to, afterwards, be submitted to decision of the General Shareholders Meeting of the Company.

São Paulo, February 22, 2021.

Angélica Maria de Queiroz

Tufi Daher Filho

Yoshiaki Nakano

Officers’ Statement about the Financial Statement

In the capacity of Officers of CSN Mineração S/A., we hereby declare, as set forth in Art. 25, paragraph 1st, item VI, of CVM da Instruction 480, dated December 7, 2009, as amended, that we have reviewed, discussed and agreed with the Financial Statements of the Company related to the fiscal year ended on December 31, 2020.

São Paulo, February 22, 2021.

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Enéas Garcia Diniz
Superintendent Officer

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Armando Maurício Max
Operational Officer

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Daisuke Hori
Strategic Planning Officer

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Pedro Barros Mercadante Oliva
Financial and Investor’s Relations Officer

Officers' Statement about the Independent Auditors' Report

In the capacity of Officers of CSN Mineração S/A., we hereby declare, as set forth in Art. 25, paragraph 1st, item V, of CVM da Instruction 480, dated December 7, 2009, as amended, that we have reviewed, discussed and agreed with the opinions stated in the independent auditors opinions related to the Financial Statements of the Company related to the fiscal year ended on December 31, 2020.

São Paulo, February 22, 2021.

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Enéas Garcia Diniz
Superintendent Officer

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Armando Maurício Max
Operational Officer

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Daisuke Hori
Strategic Planning Officer

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Pedro Barros Mercadante Oliva
Financial and Investor's Relations Officer