MANABI S.A.

CNPJ/MF No. 13.444.994/0001-87
NIRE 33.3.0029745-6
Publicly-held corporation

MINUTES OF THE BOARD OF DIRECTORS' MEETING HELD ON MARCH 12, 2015

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1. Date and Time

On March 12, 2015 at 9:00 a.m. (local time), at 1155 Avenue of the Americas, 40th floor, in the city of New York, state of New York, U.S.A.

2. Call Notices

The call notices were waived, due to the confirmation of attendance by all members of the Board of Directors ("Board") of Manabi S.A. ("Company").

3. Attendance

(i) Directors: Charles Laganá Putz (Chairman), Michael Stephen Vitton, Mathew Todd Goldsmith, Guy Ian Bentinck, Andrey Zhmurovsky, Ouk Choi, Alex Migon, Josh Shores and Álvaro Piquet Pessôa;

(ii) Management: Ricardo Antunes Carneiro Neto (Chief Executive Officer – CEO), Ricardo Abramof (Chief Commercial Officer – CCO), Antonio Castello Branco (Chief Financial Officer – CFO) and Augusto Alves Tannure (Chief Logistics Development Officer – CLDO); and

(iii) Guests: Oliver Ward (CIBC World Markets Plc), Lazaros Nikeas, Leandro Almeida and Michael Kohlhass (BNP Paribas Brasil S.A.), attending part of the meeting.

4. Presiding Members

Charles Laganá Putz, as Chairman of the meeting, and Gabriela Pinaud Laufer, as Secretary of the meeting.

5. Agenda

a) Report from the Chair of the Governance Committee on the Recording of the Minutes;
b) Project Update;
c) Strategic Transaction Update (CIBC and BNP presentation);
d) Further M&A discussions;

e) Audit & Finance Committee items for discussion:
   (i) Year End 2014 Financials Discussions;
   (ii) Cash Allocation;
   (iii) D&O Insurance Update;
   (iv) Budget Interim Revision: 2015 Forecast and Business Plan Discussion;
f) Governance Committee items:
   (i) Fiduciary Duties of Directors and Potential Breaches;
   (ii) Independence of Committee Members;
   (iii) Directors' Compensation;
g) Technical Committee items.

6. Items Discussed and Approved

a) Report from the Chair of the Governance Committee on the Recording of the Meetings. The Chair of the Governance, Compensation and Nominating Committee (the "Governance Committee"), considering the increasing debate over the contents of the minutes of meetings, the Governance Committee recommended to the Board the revaluation of the matter of recording of the meetings of the Board of Directors, as well as the meeting of its Committees, for the purpose of the preparation of minutes, with its destruction thereafter. The Chairman and the Chair of the Governance Committee highlighted that recoding the meeting would be in the best standards of corporate governance. The Directors discussed the matter and certain Directors continued to have concerns on having minutes recorded. Considering that the matter would not be unanimously approved, the Board decided not to record any meetings.

b) Project Update. The Chairman requested an update from the CEO on the project highlights. The CEO informed the Board that the licensing authority for the North Port, Ibama, is still waiting for ICMBio's final report on the project. The CEO also reported on discussions had with top federal and state authorities, as well as environmental authorities and public agencies, in order to gather the necessary support and endorsement to allow Ibama to proceed with a favorable permitting process. The CEO reported that NGO Tamar continues to be against the project, although the Company continues to keep the dialogue open. Director Guy Bentinck asked what kind of liabilities or obligations will be imposed to the Company with the receipt of the North Port preliminary permit (*Licença Prévia* or "LP"). The CEO answered that, similarly to the preliminary permit of the Pilar Hill mine, the North Port LP should impose certain obligations to the Company if the Company is to continue the permitting process towards a construction permit (*Licença de Instalação*). The CLDO described such potential obligations. Director Guy Bentinck asked whether the current budget reflects the Company's expectations for the North Port LP. The CEO answer positively, that the 2015 budget currently includes the obligations the Company expects it will need to incur this year. After deliberation, the Board members requested management to prepare a ball-park estimate of three years of expenses and obligations that the Company would incur pursuant to the North Port LP as well as expected potential liabilities.

c) Update from Management and from Equity Advisors on Negotiations of Strategic Transactions. The Chairman invited the Company's Equity Advisors from BNP Paribas

Brasil S.A. ("BNPP") and CIBC World Markets plc ("CIBC" and, together with BNPP, the "Advisors") for a report on the negotiations of strategic transactions. The Advisors gave the Board a short update on the due diligence work which is being performed on the Brazilian off-shore maritime company which made a M&A proposal to the Company (the "Proposing Company"). The Advisors explained the work done to understand the capital structure of the Company and the gap of information on certain equity investments of the Proposing Company which are under negotiation. The Advisors highlighted not to have reviewed the support documentation for these equity/debt investments. The Advisors reported on the execution of the exclusivity agreement between the Company and the Proposing Company.

The Advisors highlighted that, in the current market, it is very unlikely that another acquisition offer will become available, at least not before the issuance of the environmental permit or before firm off-takes for the capacity of the North Port are entered into by the Company.

The Advisors discussed with the Directors about the relative valuation offered by the Proposing Company. The Advisors discussed certain scenarios that could come from the potential transaction and the transaction timeline.

d) Further M&A discussions. The Directors commented that the offer from the Proposing Company should bring the Company into the spotlight as to bringing interest from other parties as well. The Advisors commented that considering the current scenario for Brazil´s risk and for the iron ore sector, as well as the greenfield stage of the project, the appetite of other potential interested parties is being perceived as reduced. The Directors requested the Advisors to look into these potential investors in parallel to the analysis of the Proposing Company opportunity. The Advisors were excused from the meeting.

Continuing the discussion, the CCO reported that the Company has participated in the BMO Conference held in February, 2015. The CCO reported having met several financial, strategic and other investors. The CCO reported that financial investors weren't particularly interested in investing in greenfield projects in Brazil. Director Michael Vitton discussed how certain investors would be willing to discuss a potential deal with the Company. The Directors discussed on whether the Company should terminate the contract with the current Advisors, and hire others that may be more suitable to pursue this type of opportunities. The Chairman inquired whether the Company should be pursuing other deals or advisors at this time, prior to the shareholders reaching an agreement on an acceptable deal. Directors Andrey Zhmurovsky and Josh Shores agreed that an agreement from shareholders would need to happen prior to any actions that the Company takes. The Chairman suggested that the Company should wait two weeks for the resolution of shareholders, when the Company would restart the discussions.

e) Audit & Finance Committee Matters. The chair of the Audit & Finance Committee ("Audit Committee") reported on the discussions held in the Audit Committee meetings of March 11, 2015 on the following matters:

(i) Year End 2014 Financials Discussions. The Chair of the Committee reported that the 2014 financial statements were not brought to this meeting for approval due to mainly three open issues: (1) more information needed on the public civil actions that the Company is answering to, as disclosed in the financial statements; (2) the accruing of certain commitments related to the Pilar Hill mine as contingencies; and (3) booking of an impairment on the mining assets of the Company due to the reduction of the long term iron ore prices. Regarding the last and most important point, the Chair of the Committee explained that there are two ways in accounting to value an asset: (x) its value in use; or (y) a fair value one would get for the sale of an asset. The Chair of the Committee explained that the Company's value in use is highly sensitive to the modification of the iron ore price forecast. The Chairman highlighted how a forecast of USD75/dmt would lead to no impairment while a price of USD67,5/dmt would mean a full impairment of the mining assets. Director Alex Migon asked whether other variables (such as timeframe, exchange rate, etc) have a big impact on the NPV and the Chairman explained that, although they affect NPV they do not affect as much as the iron ore forecast.

The Chairman explained how the Company analyzed the forecasts of several industry analysts, coming to an average of USD75. However, since USD75was based on a December 2014 average of several banks industry research reports and since the spot price has fallen further, the Company has proposed the use of the average forecast of USD70, which the Auditors have reported to have been in the lower side of the market, even conservative. The Chair of the Committee explained that the use of the iron ore forecast of USD70 leads to the NPV valuation of the assets at a higher value than the Committee believes it is worth. Thus, the Chair of the Committee reported that the Committee is considering the valuation of the mining assets as an asset for sale. On this issue, the CFO made a remark of the existence of a risk that the environmental authorities will stop the analysis of the Company's permit request due to the publicity that a characterization as 'asset for sale' would have. In addition, the Chairman supported also that the Company should not characterize its assets for sale, since it is not in a stressful situation in which it needs to sale its assets, but rather certain shareholders want to sell their shares. Director Josh Shores recognized that USD70 is lower than other estimates he had seen in the market and that the iron ore estimate chosen by the Company should provide certain value for the Company.

Director Josh Shores supported the view that the use of the valuation per discounted cash flows would be a lot easier to justify than considering a fair value valuation to which there is no parameter. The Chairman suggested that the Company uses a long term iron ore price for the discounted cash flow analysis that grants the Company a more objective valuation, while disclosing in the financial statements that the price used was higher than current iron ore prices but consistent with market estimates for the long term iron ore prices. Director Andrey Zhmurovsky stated his opinion that the long term iron ore prices forecasts should be way lower than the numbers considered by the Company and that the Company's current NPV, in his view, is zero, thus a sale price should be used. Despite the fact that other members of the Board were more comfortable with a discounted cash flow valuation at a price that is consistent with market benchmarks, ultimately granting some value in use for the Company, the Chairman asked management to prepare a valuation on fair value for Mr. Zhmurovsky analysis, not necessarily meaning that the Company would adopt such method of valuation.

The Directors debated on the use of the tax losses that would be derived from the impairment of the mining assets. The Chair of the Committee reported to have criticized the Auditors on the level of detail of their report and expressed his expectations to receive a more comprehensive analysis from the Auditors. The Chair of the Committee reported that the Auditors are revising the financial statements for their ultimate review and approval by the Audit Committee.

(ii) Cash Allocation. The Chair of the Committee reported on the cash position of the Company, commenting that the cash is currently invested in Brazilian reais. The Chair of the Committee then questioned the Board whether the Company should be investing a part of the cash in United States (US) dollars. The Chairman stated not to be so comfortable that the Company could do so since, since its obligations are in Brazilian reais and since the interest rates in reais are higher than in US dollar (generating higher financial results). If the Company positions itself in US dollars, this could be considered a speculative investment and, although from an international shareholders´ perspective this could be more attractive, this would not be based on the Company´s hedging needs. The CFO remarked that the Company's treasury policy only allows hedging in US dollars if it is made to protect the Company against exchange rate fluctuation when it has obligations in US dollars, prohibiting the Company to engage in speculative transactions on exchange rate. The Board members decided not to take any position in US dollars at this time.

(iii) D&O Insurance Update. The Chairman gave the Board an update on the change made to the D&O policy coverage to include coverage in United States and Canada. The Chairman also reported on the amount of coverage, which is in Brazilian reais which, considering the current exchange rate has been reduced in US dollar terms and could be perceived as low. The Chairman reported that increasing the coverage in the middle of the term of the insurance policy would be expensive and that the increase should be requested by management in the next renewal of the policy on July 2015. The Chairman recommended a coverage of around US$25 million, possibly linked to the United States dollar amount, to which all Board members agreed (despite the remarks of certain directors that the amount would still be low at the revised amount). The Chairman has reported that the Company's insurance consultant has stated that the current coverage is already within market practices.

(iv) Budget interim revision: 2015 Forecast and Business Plan Review. The Chair of the Committee reported on the execution of the budget for the year 2015, as presented by management, highlighting that 2015 forecast has been reduced relatively to the approved budget in R$ 8 million.

The Chair of the Committee reported that more drastic changes to the budget would probably require changes to the business plan, thus requiring a discussion from the full Board. The Chair invited the comments from the CEO on the matter. The CEO remarked that the budget in place already considers the situation of cash preservation that the Board has instructed the Company to observe in the past. The Chairman commented that, in his view, the Company is preserving its cash position and its assets, including the permits and on-going permitting processes, while not incurring into new commitments.

Director Andrey Zhmurovsky remarked that he believes the business plan of the Company does not work. It has not been reviewed in several months and it should consider the recent market changes. Director Charles Putz highlighted that any change to the business plan shall be taken to shareholders. Director Andrey Zhmurovsky requested management to prepare a new business plan in a more severe cash preservation mode, which management agreed to do.

f) Governance Committee Matters. The chair of the Governance, Compensation and Nominating Committee ("Governance Committee") reported on the discussions held in the Governance Committee meetings of March 11, 2015 on the following matters:

(i) Fiduciary Duties of Directors and Potential Breaches. The Chair of the Committee reported that the Governance Committee had discussions on the allegations of breaches of fiduciary duties by Board member Andrey Zhmurovsky in connection with the LLX Opportunity as discussed in the Board meeting of August 15, 2013. Mr. Goldsmith explained the history of the matter, stating that Mr. Goldsmith and Mr. Vitton submitted a letter, dated December 8, 2014, to Mr. Ricardo Antunes, Manabi's Chairman of the Board of Directors at the time. The letter summarized the views of certain law firms and concluded that Manabi should seek a formal legal opinion to determine if a breach of fiduciary duty had occurred. Mr. Goldsmith further explained that following discussions with Mr. Ricardo Antunes, he understood that the company would need the opinion from the law firms in writing, and therefore he and Mr. Vitton asked the law firms to draft memoranda explaining their views. On February 4, 2015, Mr. Goldsmith and Mr. Vitton sent a letter to Manabi's Chairman of the Board of Directors, Charles Putz, with those written legal memos attached. The Chairman asked management to leave the room and asked the same to any director that considered himself conflicted with regard to the matter, suggesting that Board member Andrey Zhmurovsky, Michael Vitton and Mathew Goldsmith would potentially be conflicted. The members of management (including the Board secretary), Andrey Zhmurovsky, Michael Vitton and Mathew Goldsmith left the room. After deliberation, the Board members (with exception of Andrey Zhmurovsky, Michael Vitton and Mathew Goldsmith) decided that they would require additional time to further evaluate the matter.

(ii) Independence of Committee Members. The Chairman invited management, Andrey Zhmurovsky, Michael Vitton and Mathew Goldsmith back to the meeting room. The Chair of the Committee reported that, following the request from the Chairman in the meeting of February 05, 2014, the law firm Veirano prepared a memo on the Brazilian law rules pertaining to the independence of Board members, which was shared with the Committee. The Chair of the Committee commented on the conclusions of the legal memorandum, stating that there would be no legal standard of independence that is required by Brazilian law for the composition of any of the Company's Committees and that the Charters of the Audit and Governance Committee require the members to be independent, such independence to be to the satisfaction of the Board. The Chair explained that despite the lack of law, there are corporate governance standards in Brazil that regulate the matter and that the stricter guidance in Brazilian Corporate Governance would be pursuant to the Code of Best Practice of Corporate Governance published by the Brazilian Institute of Corporate Governance ("IBGC Code") which asserts that an independent director should not have any connections to management or to any shareholder with relevant holdings in the Company. On the other hand, the governance standards of the *Novo Mercado* (which listed companies in this specific market have to comply with) require that a director does not have any ties to management or to the controlling shareholder(s), which is a practical verification. Although recommendable, the Company would not be required to follow either standard. Considering the lack of legal requirement, and as done previously, the Chair of the Governance Committee stated that the Committee recommended that the Board maintains the adoption of the self-assessment evaluation for the verification of independence to be sufficient for the Board's satisfaction.

(iii) Directors' Compensation. The Chair of the Committee reported on discussions of the Committee on Director Compensation. With factors such as inflation and Brazilian real devaluation against the United States dollar, the Committee concluded that a review of the Director Compensation is due in regards to those directors that occupy additional functions such as the Chairman and Committee members. The Committee requested that the directors that do not receive compensation from the Company to form an ad-hoc committee to decide on this matter. Such directors that do not receive compensation from the Company agreed to give the Board an input on the matter.

g) Technical Committee Matters. The chair of the Technical Committee reported on the discussions held in the Technical Committee meeting of March 11, 2015 on the drilling costs that performed by the Company. The Members of the Technical Committee considered that the management properly addressed the issue during the presentation to the Technical Committee.

7. <u>Closing</u>

Having nothing else to decide, the Chairman recessed by the necessary time to drawn up these minutes. These minutes were then read and approved by all attendants.

[signature page below]

8. <u>Signatures</u>

Chairman of the meeting: Charles Laganá Putz (Chairman). Secretary of the meeting: Gabriela Pinaud Laufer. Directors: Charles Laganá Putz (Chairman), Michael Stephen Vitton, Mathew Todd Goldsmith, Guy Ian Bentinck, Andrey Zhmurovsky, Ouk Choi, Alex Migon, Josh Shores and Álvaro Piquet Pessôa.

Rio de Janeiro, March 12, 2015.

Directors:

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Charles Laganá Putz
(Chairman)

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Michael Stephen Vitton

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Mathew Todd Goldsmith

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Guy Ian Bentinck

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Andrey Zhmurovsky

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Ouk Choi

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Alex Migon

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Josh Shores

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Álvaro Piquet Pessôa

Secretary:

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Gabriela Pinaud Laufer