Unaudited Quarterly Financial Information

Manabi S.A.

September 30, 2013
with Independent Auditor's Report on Review of Quarterly Financial Information

Manabi S.A.

Unaudited quarterly financial information

September 30, 2013

Contents

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A free translation from Portuguese into English of independent auditor's report on review of quarterly financial information

Independent auditor's report on review of quarterly financial information

The Shareholders, Board of Directors and Officers
Manabi S.A.
Rio de Janeiro - RJ

Introduction

We have reviewed the accompanying individual and consolidated quarterly financial information of Manabi S.A., contained in the quarterly financial information form (ITR) as of September 30, 2013, which comprises the balance sheet as of September 30, 2013 and the related statements of operations for the three and nine month period then ended, statements of comprehensive income, statement of changes in equity and cash flows for the nine month period then ended, including explanatory notes.

Management is responsible for the preparation and presentation of the individual quarterly financial information in accordance with Accounting Pronouncement CPC 21(R1) - Interim Financial Information ("CPC 21 (R1)"), issued by the Brazilian Accounting Standards Board (CPC), and the consolidated quarterly financial information in accordance with CPC 21 (R1) and International Accounting Standard IAS 34 - Interim Financial Reporting ("IAS 34"), issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Interim Financial Information (ITR). Our responsibility is to express a conclusion on this quarterly financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, mainly to the professionals responsible for financial and accounting issues and the application of analytical and other review procedures. A review is significantly less in scope than an audit conducted in accordance with auditing standards and, accordingly, does not allow us to obtain assurance that we became aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Conclusion on the individual quarterly financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual quarterly financial information included in the quarterly information referred to above was not prepared, in all material aspects, in accordance with CPC 21 (R1) applicable to the preparation of Quarterly Financial Information (ITR) and presented consistently with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

Conclusion on the consolidated quarterly financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial information referred to above was not prepared, in all material aspects, in accordance with CPC 21 (R1) and IAS34 applicable to the preparation of Interim Financial Information (ITR), and presented consistently with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

Emphasis paragraph

As described in the Note 1, the Company and its subsidiaries will continue to develop business in the mining sector and the required investments to implement the business plan are significant. Currently, the Company has no cash generating activities or sufficient funds to implement its investment plan, depending on the shareholders' funds or third parties to implement the business plan. The recoverability of amounts recorded in non-current assets depends on the success of the future operations of the Company and its subsidiaries, and the lack of funds required for the implementation of the business plans could raise doubts as to the continuity of the Company and its subsidiaries. The quarterly information was prepared on the assumption that the business will continue as a going concern. Management's plans with respect to operating activities are described in Note 1. Our conclusion is not qualified in respect of this matter.

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Other matters

Quarterly statements of value added

We have also conducted a review of the quarterly individual and consolidated quarterly statements of value added for the three-month period ended September 30, 2013, whose presentation in the quarterly financial information is required by the Brazilian Securities Commission (CVM) and is considered supplementary information under IFRS, which does not require the presentation of such statement of value added. These statements were submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that the quarterly statements of value added are not prepared, in all material aspects, consistently in relation to the overall accompanying individual and consolidated quarterly financial information.

Rio de Janeiro, November 6, 2013.

ERNST & YOUNG TERCO
Auditores Independentes S.S.
CRC - 2SP 015.199/O-6 - F - RJ

Wilson J. O. Moraes
Accountant CRC - 1RJ 107.211/O-1

Paulo José Machado
Accountant CRC - 1RJ 061.469/O-4

Manabi S.A.

Balance sheets
September 30, 2013 (unaudited) and December 31, 2012
(In thousands of Reais)

	Note	Parent company		Consolidated	
		9/30/2013	12/31/2012	9/30/2013	12/31/2012
Assets					
Current assets					
Cash and cash equivalents	4	25	71,487	25	71,487
Marketable securities	4	586,749	617,663	586,749	617,663
Recoverable taxes		5,303	3,062	5,303	3,062
Other		545	643	657	655
Total current assets		592,622	692,855	592,734	692,867
Non-current assets					
Advances for future capital increase	5	16,036	27,505	-	-
Investments	5	34,835	75,130	-	-
Property, plant and equipment	6	5,075	3,061	56,474	37,967
Intangible assets	7	714,603	569,576	714,603	638,103
Total non-current assets		770,549	675,272	771,077	676,070
Total assets		1,363,171	1,368,127	1,363,811	1,368,937
Liabilities and equity					
Current liabilities					
Trade accounts payable	10	6,453	9,270	7,060	9,861
Employee-related accruals		3,721	1,882	3,721	1,882
Tax liabilities		1,001	1,203	1,092	1,422
Provision for losses on investments	5	58	-	-	-
Other		-	554	-	554
Total current liabilities		11,233	12,909	11,873	13,719
Equity	11				
Capital stock		1,381,666	1,381,666	1,381,666	1,381,666
Capital reserve		1	1	1	1
Share-based payment reserve	9	14,326	8,238	14,326	8,238
Accumulated losses		(44,055)	(34,687)	(44,055)	(34,687)
Total equity		1,351,938	1,355,218	1,351,938	1,355,218
Total liabilities and equity		1,363,171	1,368,127	1,363,811	1,368,937

See accompanying notes

Manabi S.A.

Unaudited statements of operations
Nine month period ended September 30, 2013 and 2012
(In thousands of Reais, except for loss per share, in Reais)

	Note	Parent company		Consolidated	
		9/30/2013	9/30/2012	9/30/2013	9/30/2012
Operating expenses					
Personnel		**(24,466)**	(21,194)	**(24,466)**	(21,194)
Services rendered		**(11,450)**	(13,587)	**(11,984)**	(13,841)
General and administrative expenses		**(5,790)**	(4,596)	**(5,897)**	(4,652)
Depreciation and amortization		**(513)**	(250)	**(513)**	(250)
Taxes		**(369)**	(362)	**(609)**	(362)
		(42,588)	(39,989)	**(43,469)**	(40,299)
Other operating expenses					
Equity results in subsidiaries	5	**(891)**	(317)	**-**	-
		(891)	(317)	**-**	-
Operating losses before financial results		**(43,479)**	(40,306)	**(43,469)**	(40,299)
Financial income and expenses					
Financial income	12	**34,281**	10,654	**34,281**	10,654
Financial expenses		**(170)**	(100)	**(180)**	(107)
		34,111	10,554	**34,101**	10,547
Loss before income tax and social contribution		**(9,368)**	(29,752)	**(9,368)**	(29,752)
Income tax and social contribution	8	**-**	-	**-**	-
Loss for the period		**(9,368)**	(29,752)	**(9,368)**	(29,752)
Loss per common share (basic and diluted)	11	**(9.01)**	(37.19)		
Loss per preferred share (basic and diluted)	11	**(9.01)**	(37.19)		

See accompanying notes.

Manabi S.A.

Unaudited statements of operations
Three month period ended September 30, 2013 and 2012
(In thousands of Reais, except for loss per share, in Reais)

	Note	Parent company		Consolidated	
		7/1/2013 to 9/30/2013	7/1/2012 to 9/30/2012	7/1/2013 to 9/30/2013	7/1/2012 to 9/30/2012
Operating expenses					
Personnel		**(9,058)**	(7,076)	**(9,058)**	(7,076)
Services rendered		**(4,166)**	(9,423)	**(4,308)**	(9,514)
General and administrative expenses		**(2,177)**	(1,546)	**(2,219)**	(1,573)
Depreciation		**(230)**	(91)	**(230)**	(91)
Taxes		**(16)**	(260)	**(250)**	(260)
		(15,647)	(18,396)	**(16,065)**	(18,514)
Other operating expenses					
Equity results in subsidiaries	5	**(421)**	(121)	**-**	-
		(421)	(121)	**-**	-
Operating losses before financial results		**(16,068)**	(18,517)	**(16,065)**	(18,514)
Financial income and expenses					
Financial income	12	**12,499**	2,534	**12,499**	2,534
Financial expenses		**(80)**	(33)	**(83)**	(36)
		12,419	2,501	**12,416**	2,498
Loss before income tax and social contribution		**(3,649)**	(16,016)	**(3,649)**	(16,016)
Income tax and social contribution	8	**-**	-	**-**	-
Loss for the period		**(3,649)**	(16,016)	**(3,649)**	(16,016)
Loss per common share (basic and diluted)	11	**(3.51)**	(20.02)		
Loss per preferred share (basic and diluted)	11	**(3.51)**	(20.02)		

See accompanying notes.

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Unaudited Statements of Comprehensive Income
Nine month period ended September 30, 2013 and 2012
(In thousands of Reais)

	Parent Company		Consolidated	
	9/30/2013	9/30/2012	9/30/2013	9/30/2012
Loss for the period	**(9,368)**	(29,752)	**(9,368)**	(29,752)
Other comprehensive income	-	-	-	-
Comprehensive loss for the period	**(9,368)**	(29,752)	**(9,368)**	(29,752)

Three month period ended September 30, 2013 and 2012
(In thousands of Reais)

	Parent Company		Consolidated	
	7/1/2013 to 9/30/2013	7/1/2012 to 9/30/2012	7/1/2013 to 9/30/2013	7/1/2012 to 9/30/2012
Loss for the period	**(3,649)**	(16,016)	**(3,649)**	(16,016)
Other comprehensive income	-	-	-	-
Comprehensive loss for the period	**(3,649)**	(16,016)	**(3,649)**	(16,016)

See accompanying notes.

Manabi S.A.

Unaudited Statements of Changes in Equity
Nine month period ended September 30, 2013 and 2012
(In thousands of Reais)

	Capital stock		Capital reserves			
	Subscribed	Equity issuance costs	Subscription warrant	Share-based payment reserve	Accumulated losses	Total
At December 31, 2011	806,790	(20,084)	1	939	(64)	787,582
Stock options (Note 9)				5,411		5,411
Loss for the period					(29,752)	(29,752)
At September 30, 2012	806,790	(20,084)	1	6,350	(29,816)	763,241
At December 31, 2012	**1,418,130**	**(36,464)**	**1**	**8,238**	**(34,687)**	**1,355,218**
Stock options (Note 9)				**6,088**		**6,088**
Loss for the period					**(9,368)**	**(9,368)**
At September 30, 2013	**1,418,130**	**(36,464)**	**1**	**14,326**	**(44,055)**	**1,351,938**

See accompanying notes.

Manabi S.A.

Unaudited Statements of Cash Flows
Nine month period ended September 30, 2013 and 2012
(In thousands of Reais)

	Parent Company		Consolidated	
	9/30/2013	9/30/2012	9/30/2013	9/30/2012
Cash flows from operating activities				
Loss for the period	(9,368)	(29,752)	(9,368)	(29,752)
Adjustments to reconcile the loss for the period to cash from operating activities				
Depreciation and amortization	513	250	513	250
Stock options	6,088	5,411	6,088	5,411
Marketable securities income	(33,126)	-	(33,126)	-
Equity results in subsidiaries	891	317	-	-
Changes in assets and liabilities				
Recoverable taxes	(2,241)	(1,245)	(2,241)	(1,245)
Prepaid expenses	-	(2,300)	-	(2,300)
Other assets	98	93	(2)	(36)
Trade accounts payable	583	2,352	631	2,360
Employee-related accruals	690	1,507	690	1,507
Tax liabilities	(670)	(31)	(889)	(31)
Other liabilities	(326)	-	(32)	-
Net cash used in operating activities	(36,868)	(23,398)	(37,736)	(23,836)
Cash flows from investing activities				
Advances for future capital increase	11,469	(38,583)	-	-
Acquisition of marketable securities	(1,250)	-	(1,250)	-
Redemption of marketable securities	65,290	-	65,290	-
Acquisition of property, plant & equipment	(2,256)	(457)	(18,494)	(27,357)
Additions to intangible assets	(72,537)	-	(77,125)	(28,864)
Capital increase in subsidiaries	(33,163)	(17,619)	-	-
Net cash used in investing activities	(32,447)	(56,659)	(31,579)	(56,221)
Cash flows from financing activities				
Equity issuance costs	(2,147)	-	(2,147)	-
Net cash used in financing activities	(2,147)	-	(2,147)	-
Decrease in cash and cash equivalents	(71,462)	(80,057)	(71,462)	(80,057)
Cash and cash equivalents at the beginning of the period	71,487	192,906	71,487	192,906
Cash and cash equivalents at the end of the period	25	112,849	25	112,849

See accompanying notes.

Manabi S.A.

Unaudited Statements of Added Value (supplementary information for IFRS purposes)
Nine month period ended September 30, 2013 and 2012
(In thousands of Reais)

	Parent company		Consolidated	
	9/30/2013	**9/30/2012**	**9/30/2013**	**9/30/2012**
Inputs acquired from third parties				
Services rendered by third parties	**(11,450)**	(13,587)	**(11,984)**	(13,841)
Gross added value	**(11,450)**	(13,587)	**(11,984)**	(13,841)
Depreciation and amortization	**(513)**	(250)	**(513)**	(250)
Net added value	**(11,963)**	(13,837)	**(12,497)**	(14,091)
Transferred added value received				
Equity results and provision for losses on investments	**(891)**	(317)	**-**	-
Financial income	**34,281**	10,654	**34,281**	10,654
Total added value to be distributed	**21,427**	(3,500)	**21,784**	(3,437)
Distribution of added value				
Personnel				
Direct remuneration	**14,428**	13,465	**14,428**	13,465
Benefits	**1,260**	740	**1,260**	740
Accrued severance indemnity (FGTS)	**647**	642	**647**	642
Management fees	**5,010**	3,444	**5,010**	3,444
	21,345	18,291	**21,345**	18,291
General and administrative expenses	**5,790**	4,596	**5,897**	4,652
Tax				
Federal	**3,231**	3,121	**3,459**	3,121
Municipal	**259**	144	**271**	144
	3,490	3,265	**3,730**	3,265
Financial expenses	**170**	100	**180**	107
Loss for the period	**(9,368)**	(29,752)	**(9,368)**	(29,752)
Added value distributed	**21,427**	(3,500)	**21,784**	(3,437)

See accompanying notes.

1. Operations

Manabi S.A. ("Manabi" or "Company") is a publicly-held company, the corporate purpose of which is (i) exploration, development and negotiation of business opportunities in exploration, economic exploration, development, mining, extraction, production and sale of iron ore and other metal deposits in South America; (ii) investment, equity interests and operation of assets and companies in the sectors of exploration of iron ore deposits and other metal deposits, including logistics, transportation, industrial facilities and other infrastructure related to such business opportunities, assets and companies; (iii) research, exploration, extraction, processing, manufacturing, transportation, export and trading of the mineral assets and products listed in item (i) above; and (iv) render geological services.

As of September 30, 2013, Manabi fully controls companies Morro do Pilar Minerais S.A. ("MOPI"), Manabi Logística S.A. ("Manabi Log"), and Dutovias do Brasil S.A. ("Dutovias").

The Extraordinary Shareholders' Meeting held on September 17th, 2013 approved, pursuant to the terms of the Protocol and Justification, the merger of subsidiary Morro Escuro Minerais S.A. ("MOES") into the Company. The purpose of the transaction was both to simplify the group's corporate and operating structure and to better utilize the resources of the companies involved.

MOPI's business purpose is to: (a) research, explore, mine, process and transport mining goods and products; (b) render geological services; (c) render intermediation services related to the above described activities and subject; (d) hold equity interests in other companies, in Brazil or abroad; (e) lease vehicles, drills and equipment for drilling and mining; and (f) render drilling services for mining activities.

Manabi Log's business purpose is to consolidate efficient port logistics for distribution of the iron ore production. Currently, Manabi Log is not operational and holds the area on which it intends to build its port terminal called Porto Norte Capixaba.

To make the port terminal feasible within the policies and guidelines for development of the Brazilian port industry, Manabi Log submitted the required technical documentation and bid security valid for one year from September 6th, 2013 corresponding to 1% of the estimated investment value to the National Water Transportation Agency (*Agência Nacional de Transportes Aquaviários* - ANTAQ) in order to meet the requirements to obtain the license for implementation of the project.

1. **Operations** (Continued)

Dutovias was acquired on March 8, 2013 and its purpose is to consolidate the transportation of iron ore from MOPI project to Porto Norte Capixaba, using an iron ore pipeline to be constructed.

The development and implementation of an integrated iron ore production and distribution project is capital intensive. In this context, Management believes that the funds held in cash are sufficient for the short term activities. Management continues to evaluate alternatives to raise additional funds that will enable the implementation of its business plan.

The Company continues to invest primarily in (i) deepening its knowledge of the mineral asset with reports on exploration and survey, drilling, characterization and modeling, (ii) engineering, (iii) obtaining licenses required for operation, and (iv) logistics infrastructure.

The Company has engaged renowned companies to render drilling, chemical analysis of samples, preparation of environmental studies and development of engineering for the mine, pipeline and port terminal.

2. Basis for preparation and presentation of quarterly information

The individual financial information has been prepared and are presented in accordance with CPC 21 (R1) - Interim Financial Statements, and applicable standards for quarterly information issued by the Brazilian Securities and Exchange Commission (*Comissão de Valores Mobiliários* - "CVM").

The consolidated financial information has been prepared in accordance with CPC 21 (R1) and international standard IAS 34 - Interim Financial Reporting, issued by the IASB, and applicable standards for interim information issued by the CVM.

The quarterly financial information should be read in conjunction with the financial statements as of December 31, 2012, which individual financial statements were prepared in accordance with accountings practices adopted in Brazil, including the provisions of the Brazilian Corporations' Law and accounting rules and procedures issued by the CVM and Accounting Pronouncements Committee and consolidated financial statements prepared in accordance with the International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board (IASB), and in accordance with accounting practices adopted in Brazil.

2. Basis for preparation and presentation of quarterly information (Continued)

The Company's Management authorized the conclusion of the preparation of this quarterly financial information on November 6^{th}, 2013.

3. Summary of significant accounting practices

The quarterly financial information is presented based on the same accounting policies described in the Note 3 of the audited financial statements of December 31, 2012.

The new accounting pronouncements issued by the International Accounting Standards Board (IASB), effective as of January 1, 2013, as described in the audited financial statements of December 31, 2012, did not affect the individual and consolidated quarterly financial information.

Accounting judgment, estimates and assumptions

The Company uses significant accounting judgments, estimates and assumptions to measure and recognize certain assets and liabilities in its financial statements. The determination of these estimates takes into account past and current events, assumptions relating to future events, as well as other objective and subjective factors.

Significant items subject to estimates, which were taken into consideration, or which will affect the Company after start-up, include: selection of the useful life of property, plant and equipment; the reserves estimate included used in determining depreciation based on the units of production method; the assessment of the recoverable amount of each cash generating unit; analyses of impairment of property, plant and equipment assets; deferred income tax and social contribution; provision for contingencies; among others.

The settlement of transactions involving such estimates may result in amounts different from those recorded in the financial statements due to the uncertainties inherent to the determination process. The Company reviews its estimates and assumptions at least annually.

(In thousands of Reais, except when otherwise indicated)

4. Cash and cash equivalents and marketable securities

	Parent company and consolidated	
	9/30/2013 Unaudited	12/31/2012 Audited
Cash and banks	**25**	11
Cash equivalents		
Bank Deposit Certificates (CDBs)	-	25,395
Debentures with repurchase clauses	-	46,081
	25	71,487
Marketable securities		
Government bonds	**586,749**	617,663
	586,749	617,663

The funds invested in Bank Deposit Certificates debentures were fully redeemed during the first semester to meet the Company's financial commitments. These funds were from the first private placement held by the Company.

Investments in CDBs and debentures with repurchase agreements were broken down as follows:

Investment	Bank	Beginning of operation	Maturity of operation	Index CDI	9/30/2013 Parent company and consolidated	12/31/2012 Parent company and consolidated
CDB	Bradesco	3/26/2012	3/17/2014	100.0%	-	417
CDB	Itaú BBA	6/08/2011	5/29/2013	101.6%	-	13,423
CDB	Banco do Brasil	6/08/2011	5/29/2013	100.6%	-	11,554
Debêntures	Itaú BBA	12/21/2012	1/21/2013	80.0%	-	535
Debêntures	Bradesco	6/08/2011	5/29/2013	101.7%	-	45,547
					-	71,476

The breakdown of government bonds is as follows:

Security	Number	Beginning	Maturity	Index	Parent company and consolidated 9/30/2013 Unaudited	Parent company and consolidated 12/31/2012 Audited
LFT	12,875	11/06/2012	09/07/2015	Selic	**74,203**	101,032
LFT	27,808	11/07/2012	09/07/2015	Selic	**160,267**	151,504
LFT	18,534	11/08/2012	09/07/2015	Selic	**106,818**	100,977
LFT	37,575	11/12/2012	09/07/2013	Selic	-	201,859
LFT	712	12/05/2012	03/07/2013	Selic	-	3,878
LFT	32,695	09/09/2013	09/07/2014	Selic	**188,384**	-
NTN-B	4,000	12/04/2012	08/15/2014	IPCA	**9,513**	9,735
NTN-B	10,000	12/04/2012	08/15/2014	IPCA	**23,782**	24,339
NTN-B	10,000	12/04/2012	08/15/2014	IPCA	**23,782**	24,339
					586,749	617,663

(In thousands of Reais, except when otherwise indicated)

4. Cash and cash equivalents and marketable securities (Continued)

Government bonds are allocated to an exclusive investment fund with yields determined by the variation of the Selic rate (LFT) and by the variation of the IPCA + spread (NTN-B). These bonds have generated an average return of 98.0% of the CDI in the nine month period ended September 30, 2013.

Government bonds are highly liquid, have low credit risk (sovereign risk) and are available for use in the operations of the Company and of its subsidiaries.

The funds invested in government bonds derive from the second private placement carried out by the Company in the second half of 2012.

5. Investments in subsidiaries (Parent company)

Changes in investments during the period are as follows:

	12/31/2012 Audited	Capital increase	Merger (a)	Equity results	9/30/2013 Unaudited
Investments					
MOPI	4,104	2,500	-	(182)	6,422
MOES	9,133	8,163	(17,184)	(112)	-
Manabi Log	6,452	22,500	-	(539)	28,413
Excess paid on acquisition of investment		-			
MOES	55,441		(55,441)	-	
	75,130	33,163	(72,625)	(833)	34.835
Provision for losses					
Dutovias	-	-		(58)	(58)
Equity results and provision for losses				(891)	

(a) As mentioned in Note 1, on September 17th, 2013 the shareholders approved the merger of subsidiary MOES into the Company. The purpose of the transaction was both to simplify the group's corporate and operating structure and to better utilize the resources of the companies involved.

Due to this merger, the goodwill paid upon acquisition of MOES in the amount of R$ 55,441, previously recorded in investments in the individual financial statements and allocated to intangible assets in the consolidated financial statements, will now be recorded directly in the parent company's intangible assets.

The advances for future capital increase are remitted to the subsidiaries for acquisition of land, environmental studies, research, registration, appraisal, negotiation and documentation of the project areas. The capitalization of these balances occurs within a period not greater than one year.

(In thousands of Reais, except when otherwise indicated)

5. Investments in subsidiaries (Parent company) (Continued)

On September 30, 2013, the balance of funds remitted by the Company to its subsidiaries MOPI, Manabi Log, and Dutovias, totaled R$ 1.203, R$ 9,698, and R$ 5,135, respectively.

Other investment information - September 30, 2013

	MOPI	Manabi Log	Dutovias
Total common shares	6,531,860	23,159,600	900
Company's interest	100%	100%	100%
Equity	6,422	28,413	(58)
Book value per share (in reais)	0.98	1.23	(64.44)

6. Property, plant and equipment

Parent company balances

	Parent company					
	9/30/2013 Unaudited			12/31/2012 Audited		
	Cost	Depreciation	Net amount	Cost	Depreciation	Net amount
Buildings	285	(11)	274	285	(2)	283
Construction in progress	1,217	-	1,217	1,174	-	1,174
Machinery and equipment	119	(11)	108	73	(3)	70
Furniture and fixtures	1,151	(148)	1,003	767	(74)	693
IT equipment	657	(124)	533	290	(53)	237
Communication equipment	154	(35)	119	87	(16)	71
Leasehold improvements	2,199	(378)	1,821	688	(155)	533
	5,782	(707)	5,075	3,364	(303)	3,061

Changes in the Parent company in the period

	Depreciation rate	12/31/2012 Audited	Acquisitions	Transfers	Depreciation	9/30/2013 Unaudited
Buildings	4%	283	-	-	(9)	274
Construction in progress	-	1,174	1,481	(1,438)	-	1,217
Machinery and equipment	10%	70	46	-	(8)	108
Furniture and fixtures	10%	693	384		(74)	1,003
IT equipment	20%	237	367	-	(71)	533
Communication equipment	20%	71	67	-	(19)	119
Leasehold improvements	22%	533	73	1,438	(223)	1,821
		3,061	2,418		(404)	5,075

(In thousands of Reais, except when otherwise indicated)

6. Property, plant and equipment (Continued)

Consolidated balances

	Consolidated					
	9/30/2013 Unaudited			12/31/2012 Audited		
	Cost	Depreciation	Net amount	Cost	Depreciation	Net amount
Land	28,779	-	28,779	28,203	-	28,203
Buildings	285	(11)	274	285	(2)	283
Construction in progress	23,817	-	23,817	7,874	-	7,874
Machinery and equipment	119	(11)	108	73	(3)	70
Furniture and fixtures	1,171	(148)	1,023	770	(74)	696
IT equipment	657	(124)	533	290	(53)	237
Communication equipment	154	(35)	119	87	(16)	71
Leasehold improvements	2,199	(378)	1,821	688	(155)	533
	57,181	(707)	56,474	38,270	(303)	37,967

Changes in the consolidated balances in the period

	Depreciation rate	12/31/2012 Audited	Acquisitions	Transfers	Depreciation	9/30/2013 Unaudited
Land	-	28,203	576	-	-	28,779
Buildings	4%	283	-	-	(9)	274
Construction in progress	-	7,874	17,381	(1,438)	-	23,817
Machinery and equipment	10%	70	46	-	(8)	108
Furniture and fixtures	10%	696	401	-	(74)	1,023
IT equipment	20%	237	367	-	(71)	533
Communication equipment	20%	71	67	-	(19)	119
Leasehold improvements	22%	533	73	1,438	(223)	1,821
		37,967	18,911	-	(404)	56,474

7. Intangible assets (consolidated)

Intangible assets are comprised of existing prospecting rights and mineral resources in the Company.

Intangible assets are represented by 90 mining rights related to the MOPI and MOES projects, their respective mineral resources and exploration expenditures, located in the State of Minas Gerais, of which 5 are in application for research stage, 49 in research permit stage, 27 in application for mining stage, 6 are qualifications in edicts of areas considered available by the DNPM, and 3 relate to licensing requests.

The certification report, pursuant to standards of disclosure for mineral projects ("NI 43-101"), prepared by a leading international mining consultant in April 2012 for MOPI project based on 147 drill holes, including a span of 16 thousand linear meters, certified 1.2 Bt of resources: 1,166 Mt of which were categorized as inferred and 30 Mt

(In thousands of Reais, except when otherwise indicated)

7. Intangible assets (consolidated) (Continued)

as indicated. In addition, the mentioned study included an additional exploration potential of 750 Mt to 1,800 Mt.

From April 2012 until September 30, 2013, 330 additional drill holes were completed, increasing the length encompassed to 85 thousand linear meters. The new set of data collected in the on-going drilling campaign will substantiate a new resource report which is expected to confirm a significant upgrade of the inferred mineral resources of Pilar Hill into the measured and indicated (M&I) category.

The MOES project's certification report, also prepared by the same external company in April 2012, included approximately 389 Mt in resources categorized as Inferred and additional exploration potential of 250 to 450 Mt.

The intangible assets were broken down as follows:

	Amortization rate	12/31/2012 Audited	Additions	Amortization	9/30/2013 Unaudited
Expenditures related to exploration/valuation of mineral resources and prospecting rights	-	90,853	76,176	-	167,029
Intangible assets acquired in business combination (MOPI and MOES)	-	546,868	-	-	546,868
Software	20%	382	433	(109)	706
		638,103	76,609	(109)	714,603

8. Income tax and social contribution

As of September 30, 2013, the Company's accumulated tax loss carryforward and negative social contribution basis amounted to R$ 63,796 (R$ 59,537 as of December 31, 2012), in relation to which Management opted not to record deferred tax assets in this stage of the project. Tax loss carryforwards generated in Brazil do not expire and are offset with future taxable profit, limited to 30% of the taxable profit in each year.

9. Transactions with related parties

The Company is currently in the prospection phase and has no operational transactions with related parties.

Compensation of key management personnel

The Company considers all current officers and board members to be key management personnel. For the nine month period ended September 30, 2013, the compensation of these officers and board members was R$ 4,302 and R$ 1,565, including salaries, fees and social charges. These values do not include the amount of R$ 2,158 related to share based payment (stock options) to the officers which was recorded for the nine month period in statement of operations. Compensation for the officers and board members for the year 2013 at an aggregate amount of R$ 6,600 and R$ 3,240 respectively, were approved in the Annual General Meeting held on April 30, 2013.

Share based payment (stock options)

In the Annual Shareholders' Meeting held on July 21, 2011, the Company's shareholders approved a stock option plan for officers, members of the Board of Directors, and employees. The stock options issued by the Company under the plan are primary and, therefore, involve the issuance of new shares.

On September 30, 2013, a total of 27,330 (twenty-seven thousand, three hundred and thirty) options had been granted, by means of individual agreements between the Company and each beneficiary. As a condition for entitlement to the stock purchase option, the beneficiary must complete three years of service (vesting period). These options, in the proportion of one third of the total number of shares available for the plan, are exercisable in three annual tranches. The first tranche can be exercised in 12 months from the grant date and the following tranches, pursuant to the same conditions, can be exercised in 24 and 36 months from the grant date. The participants have a maximum term of sixty months from the maturity date to exercise the options.

The exercise price of the options granted until August 20, 2012 is R$ 1,576.00 (one thousand, five hundred and seventy six reais) per share and, after such date, R$ 2,547.25 (two thousand, five hundred and forty-seven reais and twenty-five cents), which shall remain unchanged until the effective exercise date of the option, subject to adjustment in the event of share grouping or share split. As the Company has not paid dividends to date, the valuation of these options assumes no payment of dividends for the duration of the stock option program.

(In thousands of Reais, except when otherwise indicated)

9. Transactions with related parties (continued)

The stock options were measured and recognized at fair value using the Merton model (1973).

The table below shows the result of the fair value measurement of the stock options at the date of this quarterly financial information:

Plan	Grant date	Initial maturity date	Vesting date	Number of shares	Annual volatility	Risk free rate	Dilution factor	Fair value options
2011.1	10/15/2011	10/15/2012	10/15/2017	4,550	40.41%	11.35%	99.41%	**4,122**
2011.1	10/15/2011	10/15/2013	10/15/2018	4,550	39.47%	11.35%	98.82%	**4,387**
2011.1	10/15/2011	10/15/2014	10/15/2019	4,550	38.95%	11.34%	98.23%	**4,629**
Aditivos	01/02/2012	10/15/2012	10/15/2017	500	40.86%	11.00%	99.24%	**442**
Aditivos	01/02/2012	10/15/2013	10/15/2018	500	39.58%	11.04%	98.33%	**469**
Aditivos	01/02/2012	10/15/2014	10/15/2019	500	38.98%	11.06%	97.44%	**495**
2012.1	01/02/2012	10/15/2012	10/15/2017	500	40.86%	11.00%	99.24%	**442**
2012.1	01/02/2012	10/15/2013	10/15/2018	500	39.58%	11.04%	98.33%	**469**
2012.1	01/02/2012	10/15/2014	10/15/2019	500	38.98%	11.06%	97.44%	**494**
2012.2	01/02/2012	12/01/2012	12/01/2017	300	40.67%	10.99%	99.20%	**267**
2012.2	01/02/2012	12/01/2013	12/01/2018	300	39.51%	11.05%	98.30%	**284**
2012.2	01/02/2012	12/01/2014	12/01/2019	300	38.95%	11.06%	97.41%	**299**
2012.3	02/01/2012	01/15/2013	01/15/2018	1,000	40.55%	11.04%	99.08%	**892**
2012.3	02/01/2012	01/15/2014	01/15/2019	1,000	39.47%	11.19%	98.18%	**951**
2012.3	02/01/2012	01/15/2015	01/15/2020	1,000	38.80%	11.23%	97.29%	**1,001**
2012.4	01/13/2012	01/13/2013	01/13/2018	100	40.47%	11.23%	99.20%	**90**
2012.4	01/13/2012	01/13/2014	01/13/2019	100	39.41%	11.31%	98.28%	**96**
2012.4	01/13/2012	01/13/2015	01/13/2020	100	38.88%	11.32%	97.37%	**101**
2012.5	08/20/2012	08/20/2013	08/20/2018	180	39.99%	9.65%	99.05%	**154**
2012.5	08/20/2012	08/20/2014	08/20/2019	180	38.74%	9.78%	98.11%	**164**
2012.5	08/20/2012	08/20/2015	08/20/2020	180	38.05%	9.97%	97.19%	**173**
2012.6	11/19/2012	11/19/2013	11/19/2018	200	39.90%	9.06%	98.68%	**270**
2012.6	11/19/2012	11/19/2014	11/19/2019	200	38.72%	9.20%	97.97%	**288**
2012.6	11/19/2012	11/19/2015	11/19/2020	200	38.04%	9.39%	97.80%	**307**
2013.1	05/02/2013	05/02/2014	05/02/2019	780	39.96%	9.10%	98.54%	**1,055**
2013.1	05/02/2013	05/02/2015	05/02/2020	780	38.98%	9.24%	97.78%	**1,126**
2013.1	05/02/2013	05/02/2016	05/02/2021	780	38.13%	9.39%	97.68%	**1,196**
2013.2	07/01/2013	07/01/2014	07/01/2019	550	40.16%	11.23%	98.48%	**793**
2013.2	07/01/2013	07/01/2015	07/01/2020	550	39.05%	11.27%	97.68%	**843**
2013.2	07/01/2013	07/01/2016	07/01/2021	550	38.26%	11.31%	97.53%	**893**
2013.3	08/15/2013	08/15/2014	08/15/2019	450	40.00%	11.71%	98.44%	**656**
2013.3	08/15/2013	08/15/2015	08/15/2020	450	38.88%	11.77%	97.60%	**698**
2013.3	08/15/2013	08/15/2016	08/15/2021	450	38.00%	11.82%	97.40%	**738**
Total 09/30/2013				27,330				**29,284**

(In thousands of Reais, except when otherwise indicated)

9. Transactions with related parties (Continued)

Share based payment (stock options) (Continued)

The effects of the stock options granted and outstanding recorded in equity and in the income statement for the period are as follows:

	Programs										Recorded in statement of operations	Total recorded in equity
	1°	2°	3°	4°	5°	6°	7°	8°	9°	Total		
2011	904	-	-	-	-	-	-	-	-		939	939
2012	4,407	1,297	880	92	60	33	-	-	-		7,299	8,238
2013	4,375	1,300	962	96	163	289	749	422	263		6,088	14,326
2014	3,453	1,063	962	95	163	288	1,124	843	697			
2015	-	-	40	4	105	255	1,125	842	697			
2016	-	-	-	-	-	-	379	422	435			
Outstanding Options	13,139	3,660	2,844	287	491	865	3,377	2,529	2,092	**29,284**		
Options expired	163	353	-	-	-	-	-	-	-	**516**		
Total	13,302	4,013	2,844	287	491	865	3,377	2,529	2,092	**29,800**		

In the event the beneficiary resigns from his position, the non-mature options expire without any indemnity or compensation and the mature options may be exercised within ninety days. To date, 580 (five hundred and eighty) shares expired due to non-exercise of the option, corresponding to R$ 516 already recognized in statement of operations and equity.

In the event the beneficiary's employment contract is terminated for cause, all rights expire automatically, regardless of notice or indemnification.

Pursuant to an amendment to the plan approved by the shareholders in the Extraordinary and Ordinary Shareholders' Meeting held on April 30, 2013, in the event the beneficiary is dismissed from his position without breach of duties and privileges, the specific rights that may be exercised in accordance with the relevant option on the date of issue may be exercised within the remaining exercise period available to such beneficiary.

(In thousands of Reais, except when otherwise indicated)

10. Trade accounts payable

Trade accounts payable as of September 30, 2013 and December 31, 2012 are as follows:

	Parent company		Consolidated	
	9/30/2013 Unaudited	**12/31/2012 Audited**	**9/30/2013 Unaudited**	**12/31/2012 Audited**
Domestic	**6,453**	9,219	**7,060**	9,810
Foreign	-	51	-	51
	6,453	9,270	**7,060**	9,861

These balances refer mainly to survey services, environmental studies, and development of conceptual engineering, with an average settlement period of 30 days that are not subject to charges.

11. Equity

a) Capital stock

As of September 30, 2013, the subscribed and paid-in capital is represented by 1,040,000 shares, of which 250,000 are registered common shares, 550,000 are preferred class "A" shares and 240,000 are preferred class "B" shares, of no par value, as detailed below:

	Number of shares				
Shareholders	**Common**	**Class "A" preferred**	**Class "B" preferred**	**Total**	**%**
Fábrica Holding S.A.	150,000	3,000	320	153,320	14.74%
Ontario Teachers' Pension Plan	-	165,000	19,904	184,904	17.78%
Korea Investment Corporation	-	100,000	80,000	180,000	17.31%
EIG - Global Energy Partners	-	-	120,000	120,000	11.54%
Southeastern Asset Management	-	100,000	800	100,800	9.69%
Michael Stephen Vitton	50,000	11,000	360	61,360	5.90%
Mathew Todd Goldsmith	50,000	6,000	160	56,160	5.40%
Other	-	165,000	18,456	183,456	17.64%
	250,000	550,000	240,000	1,040,000	100.00%

Each common share entitles its holder to 1(one) vote in the Shareholders' Meetings, whereas each preferred share entitles its holder to the number of votes in Shareholders' Meetings based on the number of common shares into which each preferred share is convertible, as applicable, according and subject to the Shareholders' Agreement.

(In thousands of Reais, except when otherwise indicated)

11. Equity (continued)

b) Capital reserves

Capital reserves are composed of subscription warrants and stock options granted.

On June 8, 2011, the Company issued subscription warrants to shareholders (i) Fábrica Holding S.A., (ii) Mathew Todd Goldsmith and (iii) Michael Stephen Vitton. These warrants entitle the holders to an option to subscribe a maximum of 44,854 common shares for R$ 0.01 (one cent), in accordance with the terms and conditions set forth in the Subscription Warrant Certificate, as amended at the Special Shareholders' Meeting held on September 10, 2012, exercisable, in whole or in part, at the holder's discretion, upon occurrence of the events defined ("Execution Events").

Shareholder Fábrica Holding S.A. has the right to subscribe 60% of such shares the other two shareholders may subscribe 20% each.

The mentioned Execution Events had not occurred by September 30, 2013 and these events are outside the control of the option holders. Therefore, these options did not have any impact on the financial statements.

c) Loss per share

The table below presents the results and share data used in determining the basic and dilutive loss per share:

	Three-month period ended September 30, 2013			
	Common	Class "A" preferred	Class "B" preferred	Total
Loss attributable to the equity holders	(877)	(1,930)	(842)	(3,649)
Number of outstanding shares	250,000	550,000	240,000	1,040,000
Loss per share - basic and diluted (*) in Reais	(3.51)	(3.51)	(3.51)	

	Three-month period ended September 30, 2012		
	Common	Preferred	Total
Loss attributable to the equity holders	(5,005)	(11,011)	(16,016)
Number of outstanding shares	250,000	550,000	800,000
Loss per share - basic and diluted (*) in Reais	(20.02)	(20.02)	

(In thousands of Reais, except when otherwise indicated)

11. Equity (continued)

c) Loss per share (continued)

	Nine-month period ended September 30, 2013			
	Common	Class "A" preferred	Class "B" preferred	Total
Loss attributable to the equity holders	(2,252)	(4,954)	(2,162)	(9,368)
Number of outstanding shares	250,000	550,000	240,000	1,040,000
Loss per share - basic and diluted (*) in Reais	(9.01)	(9.01)	(9.01)	

	Nine-month period ended September 30, 2012		
	Common	Preferred	Total
Loss attributable to the equity holders	(9,297)	(20,455)	(29,752)
Number of outstanding shares	250,000	550,000	800,000
Loss per share - basic and diluted (*) in Reais	(37.19)	(37.19)	

(*) The loss in the period is antidilutive for the holders of stock options and subscription warrants.

12. Financial income

The financial income in the period is comprised of:

	Consolidated			
	Nine-month period		Three-month period	
	9/30/2013 Unaudited	9/30/2012 Unaudited	9/30/2013 Unaudited	9/30/2012 Unaudited
Bank deposit certificates (CDBs)	449	6,127	-	1,666
Debentures with repurchase agreements	599	4,502	-	866
Government bonds	33,126	-	12,498	-
Interest on Withholding income tax from financial investments	107	25	1	2
	34,281	10,654	12,499	2,534

13. Financial instruments

Financial instruments as of September 30, 2013 are represented by cash and marketable securities, classified and measured at fair value through profit or loss.

Financial liabilities are represented by trade accounts payable, recorded at amortized cost. The average maturity period of trade accounts payable is 30 days and there are no relevant differences between carrying amounts and fair values.

The Company does not carry out hedge, swap or any other transactions that involve derivative financial instruments.

14. Insurance coverage

On July 4th, 2013, the liability insurance for directors and officers was renewed in the insured amount of up to R$ 50,000. The renewal was carried out with Itaú Seguros S.A., which kept the same coverage of the previous policy and granted more favorable commercial conditions to the Company.

Ricardo Antunes Carneiro
CEO

Antonio Borges Leal Castello Branco
CFO