Unaudited Quarterly Financial Information

Manabi S.A.

March 31, 2015

With Independent Auditor's Report on Review of Quarterly Financial Information

Manabi S.A.

Unaudited quarterly financial information

March 31, 2015

Contents

Centro Empresarial PB 370
Praia de Botafogo, 370
5º ao 8º Andares - Botafogo
22250-040 - Rio de Janeiro, RJ, Brazil

Phone: (55 21) 3263-7000
ey.com.br

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

With Independent Auditor's Report on Review of Quarterly Financial Information

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

We have reviewed the accompanying individual and consolidated quarterly financial information of Manabi S.A. ("Company"), contained in the quarterly financial information form (ITR) as of March 31, 2015, which comprises the balance sheet as of March 31, 2015 and the related statements of operations, statements of comprehensive income, statement of changes in equity and cash flows for the quarter then ended, including explanatory notes.

Company Management is responsible for the preparation and presentation of the individual and consolidated 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 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.

Conclusion of the individual and consolidated quarterly financial

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and 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 of a matter

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 is contingent upon 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 significant doubts as to the continuity of the Company and its subsidiaries. The financial statements were 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.

Other matters

Statements of value added

We have also reviewed the individual and consolidated Statements of Value Added for the three months period ended on March, 31 2015, prepared under the Company's Management responsibility, the presentation of which is required by Brazilian corporation law for publicly held companies, and as supplementary information under IFRS, whereby no statement of value added presentation is required. These statements have been subject to the same reviewing procedures previously described and, in our opinion, are presented fairly, in all material respects, in relation to the overall financial statements.

Rio de Janeiro, May 12, 2015.

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

Roberto Cesar Andrade dos Santos
Accountant CRC - 1RJ 093.771/O-9

Daniel de Araújo Peixoto
Accountant CRC - 1BA 025.348/O-9-S-RJ

A free translation from Portuguese into English of Quarterly financial information

Manabi S.A.

Balance sheets
March 31, 2015 (unaudited) and December 31, 2014
(In thousands of Reais)

		Parent company		Consolidated	
	Note	**03/31/2015**	**12/31/2014**	**03/31/2015**	**12/31/2014**
Assets					
Current assets					
Cash and cash equivalents		**7**	24	**8**	26
Marketable securities	**4**	**434,833**	452,048	**434,833**	452,048
Recoverable taxes		**4,608**	8,542	**4,608**	8,542
Other		**189**	124	**334**	154
Total current assets		**439,637**	460,738	**439,783**	460,770
Non-current assets					
Advances for future capital increase	**5**	**31,986**	28,072	**-**	-
Investments	**5**	**39,773**	40,126	**-**	-
Property, plant and equipment	**6**	**330**	592	**60,237**	57,930
Intangible assets	**7**	**104,035**	99,664	**104,035**	99,664
Total non-current assets		**176,124**	168,454	**164,272**	157,594
Total assets		**615,761**	629,192	**604,055**	618,364
Liabilities and equity					
Current liabilities					
Trade accounts payable	**10**	**4,107**	4,964	**4,635**	6,289
Employee-related accruals		**1,370**	1,976	**1,370**	1,976
Tax liabilities		**437**	938	**536**	1,047
Provision for losses on investments	**5**	**12,333**	12,262	**-**	-
Other		**363**	425	**363**	425
Total current liabilities		**18,610**	20,565	**6,904**	9,737
Equity	**13**				
Capital stock		**1,381,666**	1,381,666	**1,381,666**	1,381,666
Capital reserve		**1**	1	**1**	1
Share-based compensation reserve	**9**	**24,528**	25,873	**24,528**	25,873
Accumulated losses		**(809,044)**	(798,913)	**(809,044)**	(798,913)
Total equity		**597,151**	608,627	**597,151**	608,627
Total liabilities and equity		**615,761**	629,192	**604,055**	618,364

See accompanying notes

Manabi S.A.

Unaudited statements of operations
Three month period ended March 31, 2015 and 2014
(In thousands of Reais, except for loss per share, in Reais)

		Parent company		Consolidated	
	Note	03/31/2015	03/31/2014	03/31/2015	03/31/2014
Operating expenses					
Personnel		**(13,717)**	(9,028)	**(13,717)**	(9,028)
Services rendered		**(6,867)**	(7,105)	**(7,142)**	(7,273)
General and administrative		**(1,138)**	(2,276)	**(1,267)**	(2,423)
Depreciation and amortization		**(253)**	(251)	**(269)**	(265)
Taxes		**(84)**	(190)	**(88)**	(198)
		(22,059)	(18,850)	**(22,483)**	(19,187)
Other operating expenses					
Equity results in subsidiaries	5	**(424)**	(339)	**-**	-
Operating loss before financial results		**(22,483)**	(19,189)	**(22,483)**	(19,187)
Financial income and expenses					
Financial income	14	**12,373**	13,183	**12,373**	13,183
Financial expenses		**(21)**	(67)	**(21)**	(69)
		12,352	13,116	**12,352**	13,114
Loss before income tax and social contribution		**(10,131)**	(6,073)	**(10,131)**	(6,073)
Income tax and social contribution	8	**-**	-	**-**	-
Loss for the period		**(10,131)**	(6,073)	**(10,131)**	(6,073)
Loss per common and preferred share (basic and diluted)	13	**(9.74)**	(5.84)		

See accompanying notes.

Manabi S.A.

Unaudited statements of comprehensive Income
Three month period ended March 31, 2015 and 2014
(In thousands of Reais)

	Parent Company		Consolidated	
	03/31/2015	**03/31/2014**	**03/31/2015**	**03/31/2014**
Loss for the period	**(10,131)**	(6,073)	**(10,131)**	(6,073)
Other comprehensive income	**-**	-	**-**	-
Comprehensive loss for the period	**(10,131)**	(6,073)	**(10,131)**	(6,073)

Manabi S.A.

Unaudited statements of changes in equity
Three month period ended March 31, 2015 and 2014
(In thousands of Reais)

	Capital stock		Capital reserves			
	Subscribed	Equity issuance costs	Subscription warrant	Share-based compensation reserve	Accumulated losses	Total
At December 31, 2013	1,418,130	(36,464)	1	17,136	(48,507)	1,350,296
Stock options	-	-	-	2,633		2,633
Loss for the period	-	-	-	-	(6,073)	(6,073)
At March 31, 2014	1,418,130	(36,464)	1	19,769	(54,580)	1,346,856
At December 31, 2014	**1,418,130**	**(36,464)**	**1**	**25,873**	**(798,913)**	**608,627**
Stock options (Note 9)	**-**	**-**	**-**	**(1,345)**	**-**	**(1,345)**
Loss for period	**-**	**-**	**-**	**-**	**(10,131)**	**(10,131)**
At March 31, 2015	**1,418,130**	**(36,464)**	**1**	**24,528**	**(809,044)**	**597,151**

See accompanying notes.

Manabi S.A.

Unaudited statements of cash flows
Three month period ended March 31, 2015 and 2014
(In thousands of Reais)

	Parent company		Consolidated	
	03/31/2015	03/31/2014	03/31/2015	03/31/2014
Cash flows from operating activities				
Loss for the period	**(10,131)**	(6,073)	**(10,131)**	(6,073)
Adjustments to reconcile the loss for the period to cash from operating activities				
Depreciation and amortization	**253**	251	**269**	265
Disposal of non-current assets	**41**	-	**41**	-
Stock options	**(1,345)**	2,633	**(1,345)**	2,633
Marketable securities income	**(12,173)**	(12,968)	**(12,173)**	(12,968)
Equity results in subsidiaries	**424**	339	**-**	-
Changes in assets and liabilities				
Recoverable taxes	**3,933**	837	**3,933**	837
Other assets	**(65)**	(131)	**(179)**	(187)
Trade accounts payable	**2,771**	(21)	**2,668**	(26)
Employee-related accruals	**1,586**	(53)	**1,586**	(53)
Tax liabilities	**(331)**	(280)	**(323)**	(276)
Net cash used in operating activities	**(15,037)**	(15,466)	**(15,654)**	(15,848)
Cash flows from investing activities				
Advances for future capital increase	**(3,914)**	(7,652)	**-**	-
Redemption of marketable securities	**29,388**	35,975	**29,388**	35,975
Acquisition of property, plant and equipment	**-**	(163)	**(3,298)**	(7,432)
Additions to intangible assets	**(10,454)**	(12,708)	**(10,454)**	(12,708)
Net cash from investing activities	**15,020**	15,452	**15,636**	15,835
Decrease in cash and cash equivalents	**(17)**	(14)	**(18)**	(13)
Cash and cash equivalents at the beginning of the period	**24**	44	**26**	44
Cash and cash equivalents at the end of the period	**7**	30	**8**	31

See accompanying notes.

Manabi S.A.

Unaudited statements of added value (supplementary information for IFRS purposes)
Three month period ended March 31, 2015 and 2014
(In thousands of Reais)

	Parent company		Consolidated	
	03/31/2015	**03/31/2014**	**03/31/2015**	**03/31/2014**
Inputs acquired from third parties				
General and administrative expenses	**(7,583)**	(6,170)	**(7,944)**	(6,427)
Expenses with stock options granted	**1,345**	(2,633)	**1,345**	(2,633)
Depreciation and amortization	**(253)**	(251)	**(269)**	(265)
Transferred added value received				
Net financial income	**12,352**	13,116	**12,352**	13,114
Equity results in subsidiaries	**(424)**	(339)	**-**	-
Total added value to be distributed	**5,437**	3,723	**5,484**	**3,789**
Distribution of added value				
Personnel				
Direct remuneration	**8,604**	5,333	**8,604**	5,333
Management fees	**3,711**	1,871	**3,711**	1,871
Benefits	**411**	590	**411**	590
Accrued severance indemnity (FGTS)	**952**	213	**952**	213
	13,678	8,007	**13,678**	8,007
Tax				
Federal	**1,458**	1,120	**1,462**	1,120
Municipal	**10**	91	**10**	99
Third-party capital remuneration				
Leases	**422**	578	**465**	636
Loss for the period	**(10,131)**	(6,073)	**(10,131)**	(6,073)
	5,437	3,723	**5,484**	3,789

See accompanying notes.

1. Operations

Manabi S.A. (“Manabi” or “Company”) is a publicly-held company, with the corporate purpose of (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; (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.

Manabi fully controls companies Morro do Pilar Minerais S.A. (“MOPI”), Manabi Logística S.A. (“Manabi Log”), and Dutovias do Brasil S.A. (“Dutovias”).

In accordance with the Notice of material fact published on March 31, 2015, the Company recognized in the fiscal year ended December 31, 2014, an impairment of R$733 million, where R$659 million correspond to the Pilar Hill Project and R$74 million to the Dark Hill Project. The impairment occurred due to the deterioration of the spot price of iron ore in the international market throughout 2014 and to the perspective that this important variable will continue for our mining projects.

As a contingency measure in light of this deterioration in iron ore prices, Manabi’s Board of Directors approved a lean budget for 2015, which led the Company to implement a significant reduction in its administrative expenses and in the number of employees, in order to preserve cash.

During the first quarter of the year, the Company continued working to meet the conditions of the preliminary license (“LP”) for Pilar Hill, received in November 2014 and in addition expects to receive the LP for the North Port and Pipeline during the 2H15 and the LP for the railway during 2016.

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 and marketable securities 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.

(In thousands of Reais, except when otherwise indicated)

2. Basis for preparation and presentation of the financial statements

The Company's individual and consolidated quarterly information was prepared based on international accounting standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), implemented in Brazil through the Accounting Pronouncements Committee ("CPC") and its technical interpretations ("ICPC") and guidelines ("OCPC"), approved by the Brazilian Securities and Exchange Commission ("CVM").

The quarterly information should be read together with the financial statements of December 31, 2014.

The Company's Management authorized the conclusion of the preparation of these financial statements on May 12, 2015.

3. Accounting practices

The quarterly financial information is presented based on the same accounting policies described in Note 3 of the audited financial statements of December 31, 2014.

3.1. Accounting judgment, estimates and assumptions

Preparation of the individual and consolidated financial statements in accordance with IFRS and CPC standards requires Management to make judgments, estimations and assumptions that affect the application of accounting policies and the informed value of assets, liabilities, revenues and expenses. The settlement of transactions involving such estimates may result in amounts different from those recorded in the financial statements.

Estimations and assumptions are revised continuously. Revisions related to accounting estimates are recognized in the period in which the estimations are revised and in any future periods affected.

4. Marketable securities

	Parent company and consolidated	
	03/31/2015	**12/31/2014**
Government bonds	**369,949**	388,954
Bank Deposit Certificates (CDBs)	**64,884**	63,094
	434,833	452,048

(In thousands of Reais, except when otherwise indicated)

4. Marketable securities (Continued)

Government bonds are broken down as follows:

				Parent company and consolidated			
				03/31/2015		12/31/2014	
Security	Beginning	Maturity	Index	Number	Value	Number	Value
LFT	11/07/2012	09/07/2015	Selic	**13,214**	**88,817**	20,571	134,474
LFT	11/08/2012	09/07/2015	Selic	**18,534**	**124,575**	18,534	121,157
LFT	04/25/2014	09/07/2015	Selic	**4,935**	**33,170**	4,935	32,260
LFT	05/21/2014	09/07/2015	Selic	**4,901**	**32,942**	4,901	32,038
LFT	06/30/2014	09/07/2017	Selic	**2,657**	**17,859**	2,657	17,370
LFT	12/22/2014	09/01/2018	Selic	**2,894**	**19,452**	-	-
LFT	01/20/2015	09/01/2018	Selic	**1**	**7**	-	-
LFT	02/18/2015	03/01/2019	Selic	**2,896**	**19,465**	-	-
LFT	01/11/2013	09/01/2018	Selic	**-**	**-**	2,894	18,918
LFT	06/18/2014	09/07/2015	Selic	**2,896**	**19,465**	2,896	18,931
LFT	08/13/2014	09/01/2018	Selic	**2,112**	**14,196**	2,112	13,806
					369,949		388,954

Bank Deposit Certificates are broken down as follows:

					Parent company and consolidated	
Investment	Bank	Beginning of operation	Maturity of operation	Index CDI	03/31/2015	12/31/2014
CDB	CEF	08/15/2014	08/12/2016	101.0%	**64,884**	63,094

The government bonds are allocated in an exclusive investment fund and their earnings are based on the Selic rate. These bonds had an average return rate of 100.4% of the Interbank Deposit Certificate (CDI) in the three month period of 2015. The government bonds have high liquidity, low credit risk (sovereign risk) and can be negotiated for use in the operations of the Company and its subsidiaries.

The earnings of the investments in CDBs of Caixa Econômica Federal (CEF) with immediate liquidity and low credit risk are based on the variation of the CDI rate, with a rate of return of 101% of the CDI in the first quarter of 2015 and, like the LFT's, is fully allocated in the Company's exclusive investment fund.

(In thousands of Reais, except when otherwise indicated)

5. Investments in subsidiaries (Parent company)

Changes in investments during the period are as follows:

	12/31/2014	Equity results	03/31/2015
Investments			
MOPI	[1] (295)	**(35)**	[1] **(330)**
Manabi Log	40,126	**(353)**	**39,773**
Dutovias	[1] (11,967)	**(36)**	[1] **(12,003)**
	27,864	**(424)**	**27,440**

[1] These amounts are shown within liability as provision for losses on investments.

The advances for future capital increase are remitted to the subsidiaries basically to support expenditures on engineering, environmental studies, research, registration, appraisal, negotiation and documentation of the project areas.

The changes of these remittances during the period are as follows:

	MOPI	LOG	Dutovias
Advances for future capital increase			
Balances as of 12/31/2014	1,324	11,615	15,133
Funds remitted	62	3,073	779
Balances as of 03/31/2015 [1]	**1,386**	**14,688**	**15,912**

[1] The capitalization of these balances occurs within a period not greater than one year.

6. Property, plant and equipment

a) <u>Parent company balances</u>

	03/31/2015				12/31/2014			
	Cost	Depreciation	Impairment of assets	Net amount	Cost	Depreciation	Impairment of assets	Net amount
Buildings	**285**	**(27)**	**(228)**	**30**	285	(25)	(228)	32
Machinery and equipment	**1,783**	**(125)**	**(1,472)**	**186**	1,784	(102)	(1,472)	210
Furniture and fixtures	**1,245**	**(335)**	**(834)**	**76**	1,259	(306)	(834)	119
IT equipment	**666**	**(289)**	**(377)**	**-**	809	(317)	(431)	61
Comunication equipment	**147**	**(71)**	**(76)**	**-**	181	(78)	(90)	13
Leasehold improvements	**2,221**	**(1,085)**	**(1,098)**	**38**	2,221	(966)	(1,098)	157
	6,347	**(1,932)**	**(4,085)**	**330**	6,539	(1,794)	(4,153)	592

(In thousands of Reais, except when otherwise indicated)

6. Property, plant and equipment (Continued)

b) Changes in the Parent company in the period

	Depreciation rate	12/31/2014	Acquisitions	Disposals	Depreciation	03/31/2015
Buildings	4%	32	-	-	(2)	30
Machinery and equipment	10%	210	-	(2)	(22)	186
Furniture and fixtures	10%	119	-	(11)	(32)	76
IT equipment	20%	61	1	(24)	(38)	-
Comunication equipment	20%	13	-	(4)	(9)	-
Leasehold improvements	22%	157	-	-	(119)	38
		592	1	(41)	(222)	330

c) Consolidated balances

	03/31/2015				12/31/2014			
	Cost	Depreciation	Impairment of assets	Net amount	Cost	Depreciation	Impairment of assets	Net amount
Land	29,661	-	(7,452)	22,209	29,661	-	(7,452)	22,209
Buildings	285	(27)	(228)	30	285	(25)	(228)	32
Construction in progress	62,220	-	(24,633)	37,587	59,635	-	(24,633)	35,002
Machinery and equipment	1,783	(125)	(1,472)	186	1,784	(102)	(1,472)	210
Furniture and fixtures	1,309	(343)	(834)	132	1,322	(312)	(834)	176
IT equipment	676	(291)	(377)	8	819	(318)	(431)	70
Comunication equipment	167	(73)	(76)	18	201	(79)	(90)	32
Leasehold improvements	2,322	(1,157)	(1,098)	67	2,322	(1,025)	(1,098)	199
	98,423	(2,016)	(36,170)	60,237	96,029	(1,861)	(36,238)	57,930

d) Changes in the consolidated balances in the year

	Depreciation rate	12/31/2014	Acquisitions	Disposals	Depreciation	03/31/2015
Land		22,209	-	-	-	22,209
Buildings	4%	32	-	-	(2)	30
Construction in progress		35,002	2,585	-	-	37,587
Machinery and equipment	10%	210	-	(2)	(22)	186
Furniture and fixtures	10%	176	-	(11)	(33)	132
IT equipment	20%	70	1	(24)	(39)	8
Comunication equipment	20%	32	-	(4)	(10)	18
Leasehold improvements	22%	199	-	-	(132)	67
		57,930	2,586	(41)	(238)	60,237

Construction in progress (consolidated) includes expenditures with development of the port and pipeline projects related to: (i) environmental licensing, additional environmental and engineering studies; (ii) basic engineering project; and (iii) licensing and negotiation of the pipeline's easement areas.

On December 31, 2014, Management conducted impairment testing of the Company's Projects. As a result of such tests, it was verified that the carrying amounts recorded in plant, property and equipment related to the projects as presented in table (c) here above, exceeded in R$36 million the amount of the respective discounted future cash flows. This impairment was recorded in the income statement as impairment of assets.

7. Intangible assets

Intangible assets include exploration expenditures with prospecting rights and mineral resources represented by 88 mining rights related to the MOPI and MOES projects, located in the State of Minas Gerais, of which 5 are in application for research stage, 68 in research permit stage, 9 in application for mining stage and 6 are qualifications in edicts of areas considered available by the DNPM (National Department of Mineral Production).

The certification report for the MOPI project, issued on February 24, 2014, was conducted by one of the world's leaders in independent certification of mineral resources based on 449 drill holes, including an extension of 100 thousand linear meters, and certified 1.33 billion tons of measured and indicated (M&I) resources and 312 million tons of inferred resources. In addition, the report noted an additional exploration potential between 500 Mt and 1,200 Mt.

This report was updated on May 23, 2014. Among the results of the additional works performed by SRK, the updated report showed a reduction in the mine's operating cost and in operating expenses (OPEX), in the investment (CAPEX) and in the environmental impact of the Pilar Hill Project, due to the revision of the mining plan, pursuant to the material fact issued on June 11, 2014.

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.

As of December 31, 2014, in the context of the significant decline in the price of iron ore in the international market, Management conducted an impairment testing of the Company's Projects. Such tests, indicated that the carrying amounts associated to the Pilar Hill and Dark Hill Projects, recorded in intangible assets, were greater than the present value of the respective discounted future cash flows, related to the estimated useful life periods for these Projects and, therefore, there was an impairment loss of R$697 million, recorded in the income statement as impairment of assets, of which R$623 million refer to the Pilar Hill Project and R$74 million to the Dark Hill Project.

The cash flows were prepared based on (i) estimated expenditures for the implementation phase of the projects, (ii) certification of resources and reserves by independent companies, (iii) long term iron ore (62% Fe CIF China) prices in line with estimates by institutions that cover the mining industry, (iv) estimates of operating costs developed by experts and (v) discount rate related to Company's projected capital structure and country risk (CAPM - Capital Asset Pricing Model methodology).

(In thousands of Reais, except when otherwise indicated)

7. Intangible assets (Continued)

The changes in intangible assets during the period are as follows:

	Amortization rate	12/31/2014	Additions	Amortization	03/31/2015
Expenditures related to exploration and valuation of mineral resources and prospecting rights		26,089	**2,592**	**-**	**28,681**
Expenditures related to licensing phase		699	**-**	**-**	**699**
Intangible assets acquired in business combination		61,445	**-**	**-**	**61,445**
Rail spur		10,831	**1,830**	**-**	**12,661**
Software	**20%**	600	**-**	**(51)**	**549**
		99,664	**4,422**	**(51)**	**104,035**

8. Income tax and social contribution

As of March 31, 2015, the Company's tax loss carryforward and negative social contribution basis amounted to R$79,012 (R$70,528 as of December 31, 2014), 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 three month period ended March 31, 2015, the compensation of these officers and board members was R$3,309 and R$402 respectively. These values do not include the amount of R$40 related to share based payment (stock options) to the officers which was recorded in the statement of operations. The annual fees of the officers and board members for the period from May 1, 2014 to April 30, 2015 in the aggregate amount of up to R$7,062 and R$3,240, respectively, were approved in the Annual General Meeting held on April 29, 2014. The overall compensation of the executive board, for the same period, was changed in the Extraordinary Shareholders' Meeting held on January 21, 2015 to R$7,962.

9. Transactions with related parties (Continued)

Share based compensation (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.

As at March 31, 2014, a total of 25,370 (twenty-five thousand and three hundred seventy) 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.

Share-based compensation was measured and recognized at fair value, using the Merton (1973) model, which is an extension of the Black & Scholes model.

Manabi S.A.

Notes to unaudited quarterly financial information
March 31, 2015
(In thousands of Reais, except when otherwise indicated)

9. Transactions with related parties (Continued)

Share based compensation (stock options) (Continued)

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**
Amendments	01/02/2012	10/15/2012	10/15/2017	450	40.86%	11.00%	99.24%	**398**
Amendments	01/02/2012	10/15/2013	10/15/2018	450	39.58%	11.04%	98.33%	**422**
Amendments	01/02/2012	10/15/2014	10/15/2019	450	38.98%	11.06%	97.44%	**446**
2012.1	01/02/2012	10/15/2012	10/15/2017	400	40.86%	11.00%	99.24%	**354**
2012.1	01/02/2012	10/15/2013	10/15/2018	400	39.58%	11.04%	98.33%	**375**
2012.1	01/02/2012	10/15/2014	10/15/2019	100	38.98%	11.06%	97.44%	**99**
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	400	38.98%	9.24%	97.78%	**577**
2013.1	05/02/2013	05/02/2016	05/02/2021	400	38.13%	9.39%	97.68%	**613**
2013.2	07/01/2013	07/01/2014	07/01/2019	550	40.16%	11.23%	98.48%	**793**
2013.3	08/15/2013	08/15/2014	08/15/2019	250	40.00%	11.71%	98.44%	**365**
2013.4	10/01/2013	10/01/2014	10/01/2019	850	39.58%	11.73%	98.38%	**1,235**
2013.4	10/01/2013	10/01/2015	10/01/2020	450	38.81%	11.79%	97.46%	**697**
2013.4	10/01/2013	10/01/2016	10/01/2021	450	38.01%	11.84%	97.21%	**738**
Total 03/31/2015				25,370				**26,642**

(In thousands of Reais, except when otherwise indicated)

9. Transactions with related parties (Continued)

Share based compensation (stock options) (Continued)

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

Programs	2011	2012	2013	2014	2015	2016	Total
1st	904	4,407	4,375	3,452			13,138
2nd		1,193	1,131	620			2,944
3rd		880	962	962	**40**		2,844
4th		92	96	95	**4**		287
5th		60	163	163	**105**		491
6th		33	289	288	**255**		865
7th			749	1,124	**121**	251	2,245
8th			422	449	**(210)**	132	793
9th			263	270	**(244)**	76	365
10th			328	1,314	**358**	670	2,670
	904	6,665	8,778	8,737	**429**	1,129	26,642
Options expired [1]	35	634	120				
Recorded in statement of operations	939	7,299	8,898	8,737	**(1,345)**[2]		
Accumulated amount recorded in equity	939	8,238	17,136	25,873	**24,528**		

1 In accordance with accounting standards, the options expired due to failure to exercise the rights, previously recorded in statement of operation, are not subject to reversal.

2 This amount related to the first quarter of 2015 includes reversal of non-mature options, previously recorded in statement of operation, due to the dismissal of beneficiaries during the period.

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, 880 (eight hundred and eighty) shares expired due to non-exercise of the option, corresponding to R$789, amount measured in the moment that the options were granted and recognized in statement of operations and equity during the vesting period.

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

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. The rights not yet vested lapse without any restitution or compensation (2,660 expired stocks in the three months ended on March 31, 2015 because of dismissal of executives).

10. Trade accounts payable

The balances as of March 31, 2015 largely comprise consulting in environmental studies, financial advisory, conceptual engineering and general and administrative services, with an average settlement period of 30 days, which are not subject to financial charges.

11. Litigation

As of March 31, 2015, the Company is part of the lawsuits listed below, which, based on the concept of assessment adopted for judicial liabilities, were all classified as possible losses.

Public Civil Action, filed on 10/28/14 by the State Attorney's Office, questioning the validity of the Statement of Conformity with the municipal laws related to use and occupation of municipal land, which is issued by the Municipality of Morro do Pilar, for purposes of implementation of the MOPI Project. Management believes that, even if an injunction or an unfavorable decision is granted against the Company, this would not impact the project since the Municipality of Morro do Pilar is in the process of altering its legislation for the use and occupation of the land in order to conform it to federal law requirements, with which the MOPI Project is compliant. With the change in legislation by the Municipality, the lawsuit would lose its purpose and be dismissed.

Public Civil Action by the State Attorney's Office and Injunction by the Federal Attorney's Office, filed on 11/5/14, alleging the existence of traditional communities in the area of the MOPI Project and absence of due legal treatment of these communities. Management believes that the claim of the Attorney's Office will be weakened due to the non-existence of the "self-declaration" condition for the relevant communities.

Injunction, filed on 11/5/14 by the State Attorney's Office, alleging a water crisis in the basin of the Santo Antônio river due to high water consumption by the MOPI Project, putting at risk the availability of water for the community. Management believes that the granting of the right to use water resources is in accordance with legal doctrine and within limits that would not lead to water scarcity, and that there is no legal basis for the claim by the Attorney's Office.

Action for Maintenance of Possession and Petitory Action filed, respectively, on 10/18/13 and 08/15/2014, alleging that the Company invaded part of the property that, allegedly, is owned by the Claimants, requiring maintenance of possession and demanding ownership of the land. Management believes that these claims do not result in significant risks for the project, since, even if the Court accepts the claims, the project would not be at risk.

(In thousands of Reais, except when otherwise indicated)

12. Commitments

As a result of the Preliminary License granted by the Regional Superintendence for Environmental Regulation (SUPRAM) on 11/6/14, the following conditions shall be met in order for the Construction License for the MOPI Project to be granted:

The Company is expected to acquire approximately 4,000 hectares of land for implementation of the project, 2,400 hectares for the implementation of an environmental compensation area and incur related reallocation expenses of land owners. The acquisition of such land and reallocation expenses were estimated at R$98 million.

The Company estimates to pay R$20 million related to environmental compensation contribution set forth under article 36 of Law 9,985/2000 (National nature conservation units system (SNUC)

In order to meet several other ancillary conditions primarily related to environmental studies, the Company estimates an expenditure of R$9 million.

In addition to the mentioned conditions, the Company estimates R$59 million in expenses related to social and environmental compensations to Municipalities directly impacted or under direct influence of the mine and pipeline projects.

13. Equity

Capital stock

As of March 31, 2015, 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				
		Preferred			
Shareholders	**Common**	**Class “A”**	**Class “B”**	**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%**

13. **Equity** (Continued)

Capital stock (Continued)

The Company is authorized to increase its capital up to the additional limit of R$3,000,000,000.00 (three billion reais), upon decision of the Board of Directors regardless of amendment to the Bylaws, which shall establish the number and type of shares to be issued, the issue price, and the conditions for subscription, payment and issuance.

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.

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 March 31, 2015 and these events are outside the control of the option holders. Therefore, these options did not have any impact on the financial statements.

(In thousands of Reais, except when otherwise indicated)

13. **Equity** (Continued)

Loss per share

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

	03/31/2015			
		Preferred		
	Common	class "A"	class "B"	Total
Loss attributable to the equity holders	**(2,435)**	**(5,358)**	**(2,338)**	**(10,131)**
Number of outstanding shares	**250,000**	**550,000**	**240,000**	**1,040,000**
Loss per share - basic and diluted (*) in Reais	**(9.74)**	**(9.74)**	**(9.74)**	

	03/31/2014			
		Preferred		
	Common	class "A"	class "B"	Total
Loss attributable to the equity holders	(1,460)	(3,212)	(1,401)	(6,073)
Number of outstanding shares	250,000	550,000	240,000	1,040,000
Loss per share - basic and diluted (*) in Reais	(5.84)	(5.84)	(5.84)	

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

14. Financial income

	Consolidated	
	03/31/2015	03/31/2014
Bank deposit certificates (CDBs)	**1,789**	-
Goverment bonds	**10,384**	12,968
Other financial revenues	**200**	215
	12,373	13,183

15. Financial instruments

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

16. Insurance coverage

On July 4, 2014, 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 granted more favorable commercial conditions to the Company.

Ricardo Antunes Carneiro CEO	Antonio Borges Leal Castello Branco CFO