Financial Statements

MLog S.A.
(formerly known as Manabi S.A.)

December 31, 2015
with Independent Auditor's Report

MLog S.A.
(formerly known as Manabi S.A.)

Audited financial statements

December 31, 2015

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Audited financial statements

Building a better working world

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A free translation from Portuguese into English of Independent Auditor's Report on Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB)

Independent auditor's report on financial statements

The Shareholders, Board of Directors and Officers
MLog S.A.
(Formerly known as Manabi S.A.)
Rio de Janeiro - RJ

We have audited the accompanying individual and consolidated financial statements of MLog S.A. ("Company"), identified as Parent Company and Consolidated, respectively, which comprise the balance sheet as at December 31, 2015, and the related statements of operations, of comprehensive income, of changes in equity and of cash flows for the year then ended, and a summary of significant accounting practices and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with the accounting practices adopted in Brazil and in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the preparation and fair presentation of the Company's individual and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting practices used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Building a better working world

Opinion

In our opinion, the individual and consolidated financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of MLog S.A. as at December 31, 2015, its individual and consolidated financial performance and its cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Emphasis of a matter – uncertainty related to continuity of operations

Without qualifying our opinion, we draw attention to Note 1 to the financial statements, which indicates that the Company incurred loss of R$185,445 thousand for the year ended December 31, 2015 and, at that date, it presented accumulated losses of R$1,001,722 thousand. Additionally, as described in that Note, the Company has not yet entered into the operating phase and currently its business plan is focused on services supporting the oil and gas industry. These conditions, along with other matters, as described in Note 1, indicate the existence of significant uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company's financial statements do not include any adjustments that would be required if its activities, provided for in its business plan, do not reach the expected results, which depend on the success of its future operations.

Other matters

Statements of value added

We have also audited the individual and consolidated statement of value added for the year ended December 31, 2015, prepared under the Company management's 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 auditing procedures previously described and, in our opinion, are presented fairly, in all material respects, in relation to the overall financial statements.

Rio de Janeiro, March 29, 2016.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/F-6

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

A free translation from Portuguese into English of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB)

MLog S.A. (previously Manabi S.A.)

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

	Note	Parent company		Consolidated	
		12/31/2015	12/31/2014	12/31/2015	12/31/2014
Assets					
Current assets					
Cash and cash equivalents		21	24	156	26
Marketable securities	6	42,472	452,048	42,472	452,048
Transactions with related parties	12	-	-	1,892	-
Other		334	124	1,187	154
Total current assets		49,810	460,738	56,030	460,770
Noncurrent assets					
Future capital contributions	8	5,471	28,072	-	-
Judicial deposits		-	-	5	-
Investments	8	134,488	40,126	-	-
Property, plant and equipment	9	-	592	134,591	57,930
Intangible assets	10	-	99,664	526	99,664
Total noncurrent assets		139,959	168,454	135,122	157,594
Total assets		189,769	629,192	191,152	618,364
Liabilities and equity					
Current liabilities					
Trade accounts payable	14	172	4,964	3,008	6,289
Bank loans	13	-	-	20,748	-
Salaries and social charges		708	1,976	1,198	1,976
Tax liabilities		598	938	1,781	1,047
Transactions with related parties	12	-	-	1,789	-
Transaction costs	18	4,597	-	19,472	-
Provisions	17	1,381	425	3,023	425
Other		309	-	447	-
Total current liabilities		7,765	20,565	51,466	9,737
Noncurrent liabilities					
Provision for losses on investments	8	47,475	-	-	-
Refunds to clients	19	-	-	5,257	-
Total noncurrent liabilities		47,475	-	5,257	-
Equity	20				
Capital		1,110,857	1,381,666	1,110,857	1,381,666
Capital reserve		-	1	-	1
Share-based compensation reserve	12	25,394	25,873	25,394	25,873
Accumulated losses		(1,001,722)	(798,913)	(1,001,722)	(798,913)
Equity attributable to controlling shareholders		134,529	608,627	134,529	608,627
Non-controlling interest		-	-	(100)	-
Total equity		134,529	608,627	134,429	608,627
Total liabilities and equity		189,769	629,192	191,152	618.364

See accompanying notes.

MLog S.A. (previously Manabi S.A.)

Statements of operations
Years ended December 31, 2015 and 2014
(In thousands of Reais, except for loss per share, in Reais)

		Parent company		Consolidated	
	Note	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Operating expenses					
Personnel		(28,413)	(35,123)	(29,278)	(35,123)
Services rendered		(32,126)	(21,964)	(33,126)	(23,063)
General and administrative		(3,756)	(8,513)	(7,848)	(9,285)
Depreciation and amortization		(277)	(1,009)	(364)	(1,067)
Taxes		(1,032)	(226)	(1,451)	(272)
		(65,604)	(66,835)	(72,067)	(68,810)
Other operating expenses					
Equity pickup	8	(55,026)	(34,068)	-	-
Impairment of assets	1	(107,892)	(701,207)	(154,986)	(733,292)
		(162,918)	(735,275)	(154,986)	(733,292)
Operating loss before financial income (expenses)		(228,522)	(802,110)	(227,053)	(802,102)
Financial income and expenses					
Financial income	21	43,141	51,866	43,143	51,868
Financial expenses		(62)	(162)	(1,535)	(172)
		43,079	51,704	41,608	51,696
Loss for the year		(185,443)	(750,406)	(185,445)	(750,406)
Loss attributable to:					
Shareholders of the Parent company				(185,443)	(750,406)
Non-controlling interest				(2)	-
				(185,445)	(750,406)
Loss per share (basic and diluted)	20	(110.38)	(721.54)		

See accompanying notes.

MLog S.A. (previously Manabi S.A.)

Statements of comprehensive income (loss)
Years ended December 31, 2015 and 2014
(In thousands of Reais)

	Parent company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Loss for the year	**(185,443)**	(750,406)	**(185,445)**	(750,406)
Other comprehensive income (loss)	-	-	-	-
Comprehensive loss for the year	**(185,443)**	(750,406)	**(185,445)**	(750,406)
Comprehensive loss attributable to:				
Shareholders of the Parent company	-	-	**(185,443)**	**(750,406)**
Non-controlling interest	-	-	**(2)**	**-**
			(185,445)	**(750,406)**

Statements of changes in equity
Years ended December 31, 2015 and 2014
(In thousands of Reais)

	Capital			Capital reserves				
	Subscribed	Unpaid	Funding costs	Subscription warrant	Share-based compensation reserve	Accumulated losses	Non-controlling interest	Total
At December 31, 2013	1,418,130	-	(36,464)	1	17,136	(48,507)	-	1,350,296
Stock options	-	-	-	-	8,737	-	-	8,737
Loss for the year	-	-	-	-	-	(750,406)	-	(750,406)
At December 31, 2014	1,418,130	-	(36,464)	1	25,873	(798,913)	-	608,627
Capital decrease (Note 2)	**(353,362)**	-	-	-	-	-	-	**(353,362)**
Cancellation of subscription warrant(Note 2)	-	-	-	**(1)**	-	-	-	**(1)**
Capital increase (Note 2)	**254,044**	**(171,491)**	-	-	-	-	-	**82,553**
Stock options (Note 12)	-	-	-	-	**(479)**	-	-	**(479)**
Loss for the year	-	-	-	-	-	**(185,443)**	**(2)**	**(185,445)**
Changes in equity (Note 20)	-	-	-	-	-	**(17,366)**	**(98)**	**(17,464)**
At December 31, 2015	**1,318,812**	**(171,491)**	**(36,464)**	-	**25,394**	**(1,001,722)**	**(100)**	**134,429**

See accompanying notes.

MLog S.A. (previously Manabi S.A.)

Cash flow statements of Cash Flows
Years ended December 31, 2015 and 2014
(In thousands of Reais)

	Parent company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Cash flows from operating activities				
Loss for the year	**(185,443)**	(750,406)	**(185,445)**	(750,406)
Adjustments to reconcile the loss for the year to cash from operating activities				
Depreciation and amortization	**277**	1,009	**367**	1,067
Exchange variation	**-**	-	**58**	-
Disposals	**118**	-	**389**	-
Stock options	**(479)**	8,737	**(479)**	8,737
Impairment of assets	**107,892**	701,207	**154,986**	733,292
Marketable securities income	**(42,638)**	(51,319)	**(42,638)**	(51,319)
Equity pickup	**55,026**	34,068	**-**	-
Changes in assets and liabilities				
Taxes recoverable	**1,557**	412	**1,536**	412
Other assets	**(209)**	252	**(89)**	315
Trade accounts payable	**(715)**	(542)	**(7,226)**	(460)
Interest payable	**-**	-	**248**	-
Salaries and social charges	**929**	(2,341)	**634**	(2,341)
Tax liabilities	**(150)**	(85)	**(967)**	(84)
Transaction costs	**4,597**	-	**5,999**	-
Other liabilities	**309**	-	**550**	-
Provisions	**882**	-	**882**	-
Net cash used in operating activities	**(58,047)**	(59,008)	**(71,195)**	(60,787)
Cash flows from investing activities				
Future capital contributions	**(5,471)**	(31,938)	**-**	-
Redemption of marketable securities	**452,218**	146,172	**452,218**	146,172
Loans to related parties	**-**	-	**(1,617)**	-
Acquisition of property, plant and equipment	**(5)**	(448)	**(14,405)**	(30,605)
Additions to intangible assets	**(14,419)**	(54,798)	**(14,428)**	(54,798)
Capital increase in subsidiaries	**(21,208)**	-	**-**	-
Net cash from investing activities	**411,115**	58,988	**421,768**	60,769
Cash flows from financing activities				
Capital increase	**291**	-	**291**	-
Bank loan	**-**	-	**2,000**	-
Capital decrease	**(353,362)**	-	**(353,362)**	-
Transaction with Asgaard (Note 2)	**-**	-	**628**	-
Net cash used in financing activities	**(353,071)**	-	**(350,443)**	-
Increase (decrease) in cash and cash equivalents	**(3)**	(20)	**130**	(18)
Cash and cash equivalents at beginning of year	**24**	44	**26**	44
Cash and cash equivalents at end of year	**21**	24	**156**	26

See accompanying notes.

MLog S.A. (previously Manabi S.A.)

Statements of value added (supplementary information for IFRS purposes)
Years ended December 31, 2015 and 2014
(In thousands of Reais)

	Parent company		Consolidated	
	12/31/2015	**12/31/2014**	**12/31/2015**	**12/31/2014**
Inputs acquired from third parties				
General and administrative expenses	**(34,608)**	(28,101)	**(39,271)**	(29,764)
Stock options granted	**479**	(8,737)	**479**	(8,737)
Depreciation and amortization	**(277)**	(1,009)	**(367)**	(1,067)
Impairment of assets	**(107,892)**	(701,207)	**(154,986)**	(733,292)
Value added received in transfer				
Net financial income	**43,079**	51,704	**41,608**	51,696
Equity pickup	**(55,026)**	(34,068)	**-**	-
Total value added to be distributed	**(154,245)**	(721,418)	**(152,537)**	(721,164)
Distribution of value added				
Personnel				
Direct compensation	**13,827**	11,793	**14,786**	11,793
Management fees	**8,850**	7,493	**8,850**	7,493
Benefits	**1,139**	2,280	**1,322**	2,280
Unemployment Compensation Fund (FGTS)	**1,554**	953	**1,642**	953
	25,370	22,519	**26,600**	22,519
Taxes				
Federal	**4,542**	4,053	**4,731**	4,098
Local	**12**	41	**14**	41
Debt remuneration				
Leases	**1,274**	2,375	**1,563**	2,584
Loss for the year attributable to:				
Shareholders of the Parent company	**(185,443)**	(750,406)	**(185,443)**	(750,406)
Non-controlling interest	**-**	-	**(2)**	-
	(154,245)	(721,418)	**(152,537)**	(721,164)

See accompanying notes.

1. Operations

MLog S.A. ("MLog" or "Company") is a publicly-held company engaged in (i) prospection, development and negotiation of business opportunities in exploration, economic exploitation, development, mining, extraction, production and sale of iron ore, other base metal deposits and resources in Latin America; (ii) investment, equity interests, operation of assets or otherwise holding interests in other companies as partner, shareholder, member or consortium member; (iii) research, exploration, extraction, processing, manufacturing, transportation, export and trading of products, mineral assets and resources listed in item (i) above; and (iv) rendering of geological services.

At the Special General Meeting held on 02/17/2016, the Company's corporate name was changed to MLog S.A. (previously Manabi S.A.).

MLog has full control of Morro do Pilar Minerais S.A., Manabi Logística S.A., Dutovias do Brasil S.A., 99.99% of Asgaard Navegação S.A. and 99.75% of Asgaard Navigation LLP.

During 2015, the Company continued its efforts to meet the conditions of the preliminary license ("LP") for the Morro do Pilar Project, obtained in November 2014, and progressed with the negotiations with the competent authorities, reassessing the conditions and requirements for obtainment of the LP for Porto Norte Capixaba and the Pipeline. In addition, given the commodity price for iron ore, management reviewed its business plan, approved in March 2016.

On August 26, 2015, the Company's shareholders approved, at the Special General Meeting, subject to the 60-day period of the condition precedent related to redemption of the Company's Class "C" preferred shares, the merger of Maverick Logística S.A., a company that holds 99.99% of the share capital of Asgaard Navegação S.A. and 99.75% of the share capital of Asgaard Navigation LLP.

The Company, through its subsidiaries Morro do Pilar S.A., Dutovias do Brasil S.A. and Manabi Logística S.A., operates in the mining and logistics segments, especially in the development of integrated iron ore projects, while the two Asgaard companies, mentioned above, operate in charter and operation of offshore support vessels for the oil and gas industry.

The main purpose of the Merger is to maximize the growth of the companies involved, reduce costs, optimize their assets, and increase the efficiency of the operations and management of the companies.

1. **Operations** (Continued)

In light of the continuing decline in the price of iron ore in the international market, Management performed impairment tests of the Company's integrated iron ore project. Such tests identified that the book value of these assets was greater than the present value of the respective future discounted cash flows, related to the estimated useful life period, and, therefore, a loss was recognized in the statement of operations of R$155 million, which, when added to the loss verified in 2014, totals R$888 million. The cash flows were prepared based on (i) estimated costs for the project's implementation phase, (ii) certifications of the resources and reserves by an independent company, (iii) long-term iron ore prices (62% Fe CIF China) in line with estimates by institutions that cover the mining industry, (iv) operating cost estimates developed by experts and (v) the discount rate related to projected capital structure of the Company and country risk (CAPM methodology - Capital Asset Pricing Model).

Management also carried out impairment testing for the Asgaard Sophia OSRV (oil spill recovery vessel) and in this case there was no indication of impairment loss.

The Company's financial statements were prepared based the going concern assumption. In this sense, several measures were taken by the new management to streamline the structure and adapt it to the current scenario of the Company and its subsidiaries. These were hard but necessary measures contemplating, among others, (i) cancellation of approximately 1000 contracts, reducing them to 51, (ii) revision of the annual budget, (iii) payroll reduction from R$2.5 million to, approximately, R$1 million, and (iv) approval of a new business plan focused on cash generating assets. Furthermore, the Company underwent a corporate reorganization in order to maximize the growth of the companies involved, reduce costs, optimize its assets and increase the efficiency of its operations and management of the companies.

As part of this process and taking into consideration the current iron ore price scenario in the international market, in March 2016 the Company approved a new business plan in which the Group's operating activities will now be focused on support services for the oil and gas industry. This will occur, initially, through the Asgaard Sophia OSRV (oil spill recovery vessel), construction of which was completed in January 2016.

On March 24, 2016, subsidiary Asgaard Navegação S.A., Petroleo Brasileiro S.A. ("Petrobras"), and Petrobras Logística de Exploração e Produção ("PB-LOG") entered

1. Operations (Continued)

into a charter agreement for this vessel for a period of 180 days, renewable for an equal period. Operation is expected to start in April 2016. The Company is taking part in a bidding process related to this vessel with Petrobras over a 4-year contract term.

It is important to note that the Company currently has enough funds to honor its obligations within their respective maturities for a period of at least 12 months.

2. Transaction with Asgaard

On August 26, 2015, the Company's shareholders unanimously approved at the Special General Meeting, resolutions encompassing: (i) creation of class "C" preferred shares; (ii) conversion of class "A" and class "B" preferred shares issued by the Company into class "C" preferred shares and common shares; and (iii) redemption of all class "C" preferred shares, with a capital reduction of R$353,362.

The decision of the Company's shareholders regarding redemption of the class "C" preferred shares became effective on October 29, 2015, which was the end of the 60-day period required for reduction of the Company's share capital, without opposition by any of the Company's creditors.

The Special General Meeting also unanimously approved, in accordance with the Company Shareholders' Agreement: (i) the Merger of Maverick Logística S.A. into the Company, pursuant to the terms of the Rationale for the Merger entered into on August 10, 2015 by the Management of the Company and of Maverick Logística S.A.; (ii) increase of the Company's share capital as a result of the Merger, with capitalization of Maverick Logística S.A.'s equity, in the amount of R$44,565, through issuance of 1,019,650 (one million, nineteen thousand, six hundred and fifty) common, registered, book-entry shares, with no par value, which were subscribed by Maverick Holding S.A.; and (iii) issuance of a subscription warrant by the Company in favor of Maverick Holding S.A., as an additional advantage to subscription of the capital increase resulting from the Merger.

The effectiveness of all resolutions mentioned above was subject to the following conditions precedent: (i) effectiveness of the redemption of class "C" preferred shares; (ii) payment in full of the redemption price for all of the shares; and (iii) cancellation of all class "C" preferred shares and reduction of the Company's share capital.

(In thousands of Reais, except where otherwise stated)

2. Transaction with Asgaard (Continued)

On November 6, 2015, the Company published a Notice of Material Fact informing the market that the above-mentioned conditions precedent had been met, whereupon the resolutions related to the relevant Merger, including the respective capital increase and issuance of share warrant, became effective as of the date of the Notice of Material Fact.

The book value of the assets acquired and liabilities assumed as a result of the above-mentioned merger is shown below:

	Reference date of transaction 03/31/2015	Equity changes	Effective date of transaction 11/06/2015
Cash and cash equivalents	6,416	(5,788)	628
Trade accounts receivables	13,122	(13,096)	26
Taxes recoverable	3,391	(73)	3,318
Transactions with related parties	3,691	(1,602)	2,089
Property, plant and equipment	99,671	11,185	110,856
Intangible assets	625	(83)	542
Other assets	807	115	922
Bank loans	(2,203)	(16,297)	(18,500)
Trade accounts payable	(12,412)	9,263	(3,149)
Labor and social security	(445)	(75)	(520)
Tax liabilities	(8,501)	6,605	(1,896)
Transaction costs	-	(13,473)	(13,473)
Advances from customers	(10,099)	10,099	-
Refunds to clients	-	(5,122)	(5,122)
Transactions with related parties	(49,199)	611	(48,588)
Other liabilities	(299)	267	(32)
Net assets acquired at book value	**44,565**	**(17,464)**	**27,101**

The General Meeting for the Merger also approved, following the Merger and subject to effectiveness thereof, increase of the Company's share capital, by means of a private subscription, in the amount of R$209,492, upon issuance of 750,800 (seven hundred and fifty thousand eight hundred) common shares, at an issue price of R$279.02 (two hundred and seventy nine reais and two cents) per share, established in accordance with article 170, paragraph 1, item I, of Law No. 6404/76. The resolution that approved the post-merger capital increase became effective on the date of effectiveness of the merger.

2. Transaction with Asgaard (Continued)

Furthermore, as a result of approval of the resolution related to change in the composition of the Board of Directors, the Company informs that all members of the Company's Board of Directors were dismissed, with the exceptions of Messrs. Charles Laganá Putz and Guy Ian Bentick, and that the following persons were appointed to occupy the positions of the vacating members of the Board of Directors, for a term to end on the date of the General Shareholders' Meeting that votes on the accounts of the fiscal year ended December 31, 2015: (i) Patrícia Tendrich Pires Coelho; (ii) Armando de Oliveira Santos Neto; (iii) João Cox Neto; (iv) Otávio Augusto de Paiva; (v) Samir Zraick; (vi) Wilson Nélio Brumer; and (vii) Inês Corrêa de Souza, who assumed office on the date of the General Meeting for the Merger that approved such resolution.

The Company also informs its shareholders and the market in general that, due to approval of the Merger and by virtue of the resolution of the Board of Directors taken on August 10, 2015, all members of the Company's Executive Board were dismissed on August 26, 2015. The new members of the Board of Directors appointed at the General Meeting for the Merger unanimously decided (i) to elect Board member Wilson Nélio Brumer as Chairman of the Board of Directors, pursuant to the Company's articles of incorporation; and (ii) to appoint the new members of the Company's Executive Board, as follows: (i) Patrícia Tendrich Pires Coelho as Chief Executive Officer; Julia Souza de Paiva as Chief Financial Officer and Investor Relations Officer; Augusto Alves Tannure as Development Officer, and Elias David Nigri as Logistics Officer.

At the meeting held on September 4, 2015, the Board of Directors elected Ricardo de Souza Assef as Chief Financial Officer and Investor Relations Officer and, consequently, Julia Paiva as Chief Planning Officer.

On January 25, 2016, Augusto Alves Tannure resigned as Development Officer. On March 11, 2016, Ricardo de Souza Assef resigned as the Company's Chief Financial Officer and Investor Relations Officer. Subsequently, the Company elected Paulo Marcos Vargas de Andrade as Chief Financial Officer and Paula Ferreira Machado as General Counsel and Investor Relations Officer.

The share subscription warrants issued by the Company on June 8, 2011, whose rights are set forth in the Company Shareholders' Agreement, dated May 31, 2011, as amended and consolidated on August 22, 2012, were canceled on August 26, 2015, due to execution of the Termination Agreement, which terminated the relevant Shareholders' Agreement.

3. Basis of preparation and presentation of the financial statements

The Company's consolidated financial statements were 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 Brazilian FASB (*Comitê de Pronunciamentos Contábeis* - "CPC") and its technical interpretations ("ICPC") and guidance ("OCPC"), approved by the Brazilian Securities and Exchange Commission ("CVM").

The financial statements were prepared on a going concern basis. Management assesses that price volatility, obtainment of the necessary licenses, and reliance on financial resources for implementation of the integrated iron ore project are risks that can cause uncertainties to the continuity of this project.

These financial statements were prepared based on historical cost, except for certain financial instruments measured at fair value, as described in the accounting practices.

The financial statements are presented in Reais (R$), which is the currency used in the economic environment in which the Company operates ("functional currency").

Management evidences all relevant information in the financial statements, which corresponds to those used by Company in the course of its management.

The Company Management authorized the conclusion of the preparation of these financial statements on March 29, 2016.

4. Summary of significant accounting practices

Below is a summary of the main accounting practices used by the Company:

4.1. Consolidation

The consolidated financial statements include the financial information of the subsidiaries Morro do Pilar Minerais S.A., Manabi Logistica S.A., Dutovias do Brasil S.A., Asgaard Navegação S.A. and Asgaard Navigation LLP.

4. Summary of significant accounting practices (Continued)

4.2. Financial instruments

Financial assets

The Company's financial assets are currently represented by cash balances, bank account balances and marketable securities, classified at fair value through profit or loss.

Financial liabilities

Currently, the Company's only relevant financial liability refers to trade accounts payable. Financial liabilities are recognized initially on the date of negotiation. The Company writes off a financial liability when it is paid or when the related obligations are canceled.

4.3. Cash and cash equivalents and marketable securities

Cash equivalents are held in order to meet short-term commitments and not for investment or other purposes. The Company considers cash equivalents to be short-term financial investments, readily convertible into a known amount, subject to an insignificant risk of change in value. An investment usually qualifies as short-term when it matures within three months from the date of acquisition.

Marketable securities are also short-term investments that are highly liquid and are measured at fair value through profit or loss, and gains or losses from changes in fair value are recognized in P&L.

4.4. Investments in subsidiaries

Investments in subsidiaries are recorded by the equity method in the parent company's financial statements and are eliminated for purposes of preparation of the consolidated financial statements.

4.5. Property, plant and equipment

Property, plant and equipment is recorded at acquisition cost, minus accumulated depreciation according to the straight-line method or according to the produced units method for mining assets (when operational) and minus impairment losses, when applicable.

4. Summary of significant accounting practices (Continued)

4.6. Intangible assets

Intangible assets consist mainly of mining rights, expenses with exploration and assessment of mineral resources, obtainment of licenses, and are valued at acquisition cost minus accumulated amortization (when operational) and minus impairment losses, when applicable.

The exploration and evaluation activities involve prospecting and mining of mineral resources, determination of the technical feasibility, and business feasibility study of an identified resource. The exploration and evaluation activities include:

- Research and analysis of historical exploration data
- Collection of exploration data through geophysical studies
- Exploratory drilling and sampling
- Definition and analysis of the volume and mineral content of the resource
- Survey of transportation and infrastructure needs

Expenses with exploration and evaluation are recorded in P&L as incurred, unless the Company determines that the realization of future economic benefits is virtually certain. These costs, which are directly attributable, include compensation of employees, materials and fuel used, research and drilling costs, and payments to contractors.

In assessing whether the expenses meet the criteria to be capitalized, several different sources of information are used. The information used to determine the probability of future benefits depends on the extent of exploration and on the assessment performed.

Management's initial estimate is that mining reserves will be depleted in approximately 20 years from the beginning of the operations.

4.7. Impairment of assets

The carrying amount of the Company's assets is, for impairment purposes, tested annually or when there is a potential indication of impairment loss.

4. **Summary of significant accounting practices** (Continued)

4.7. **Impairment of assets** (Continued)

The recoverable amount of an asset or cash generating unit is the higher of the value in use and the fair value. When assessing the value in use, the estimated future cash flows are deducted at their present value at the discount rate, before taxes, that reflects current market conditions as regards the period of recoverability of the capital and the specific risks of the asset.

4.8. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation may be made.

4.9. Current and noncurrent assets and liabilities

An asset is recognized in the balance sheet when it is probable that future economic benefits will be generated in favor the Company and its cost or value can be reliably measured. Assets and liabilities are classified as current when these items are likely to be settled or realized within 12 months. Otherwise, such items are classified as noncurrent.

4.10. Income and social contribution taxes

Income and social contribution taxes are calculated based on taxable profit. The tax base takes into account additions and exclusions provided for in applicable legislation. At this stage of research and development of resources, Management does not record deferred tax assets on tax loss carryforward.

4.11. Accounting judgments, estimates and assumptions

Preparation of the individual and consolidated financial statements in accordance with IFRS and CPC standards requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the informed amounts 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. Estimates and assumptions are revised continuously.

4. Summary of significant accounting practices (Continued)

4.11. Accounting judgments, estimates and assumptions (Continued)

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

The information related to estimates and assumptions that could cause material adjustments during the following accounting period are included in the following Notes:

- Notes 9 and 10 – Property, plant and equipment and Intangible assets (useful lives, depreciation/amortization rates and impairment test).
- Note 12 – Sstock options
- Note 17 – Provision for expenditures during the licensing phase

4.12. Cash flow statements

Cash flow statements were prepared and presented by the indirect method, in accordance with Accounting Pronouncement CPC 03 (R2) – Statement of Cash Flows.

4.13. Statements of value added

The statements of value added were prepared and are presented in accordance with Accounting Pronouncement CPC 09 – Statementsof Value Added. The presentation of statements of value added is required by the Brazilian Corporation Law applicable to publicly-held corporations and is presented as supplementary information for purposes of IFRS.

4.14. Loss per share

Basic loss per share is calculated by dividing loss for the year attributed to the holders of common shares of the parent company by the weighted average number of shares available in the year.

Diluted loss per share is calculated by dividing the loss for the period attributable to holders of common shares of the parent company, by the average number of shares outstanding during the period, plus the weighted average number of common shares that would be issued on conversion of all potential common shares, diluted into common shares.

(In thousands of Reais, except where otherwise stated)

4. Summary of significant accounting practices (Continued)

4.15. Share based compensation

The executives' share-based compensation is measured and recognized at fair value at the date on which the options were granted, under a specific equity and P&L account, as the contractual conditions are met. The cost of transactions settled with equity instruments is recognized throughout the period in which the performance and/or conditions of service are met, with conclusion on the date on which the employee acquires full right to the bonus (vesting date).
Accumulated expenses recognized up to the date of acquisition reflect the extension to which the vesting period has expired and the Company's best estimate as to the number of shares to be acquired.

5. New accounting pronouncements and interpretations

There are no pronouncements and interpretations issued by Brazilian FASB and IASB, effective as of 2016, which could impact the Company's financial statements.

6. Marketable securities

This investment is broken down as follows:

	Parent company and consolidated	
	12/31/2015	**12/31/2014**
Government bonds	**28,661**	388,954
Bank Deposit Certificates (CDBs)	**13,811**	63,094
	42,472	452,048

The government bonds are allocated in an exclusive investment fund and earnings are based on the Central Bank Benchmark rate (Selic). These bonds had an average return rate of 100% of the Interbank Deposit Certificate (CDI) in 2015.

(In thousands of Reais, except where otherwise stated)

6. Marketable securities (Continued)

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 investments in CDBs of the Federal Savings and Loans Bank (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 2015 and, similarly to government bonds, are fully allocated in the Company's exclusive investment fund.

7. Taxes recoverable

	Consolidated	
	12/31/2015	**12/31/2014**
Withholding Income Tax (IRRF)	**7,015**	8,538
Contributions taxes on gross revenue (PIS and COFINS)	**3,143**	-
Other	**165**	4
	10,323	8,542

8. Investments in subsidiaries (Parent company)

Changes in investments during the year are as follows:

Investments	Interest	12/31/2014	Transaction with Asgaard (Note 2)	Future capital contributions	Capital increase	Equity changes (Note 20)	Equity pickup	12/31/2015
Manabi Logística S.A.	**100%**	40,126	**-**	**-**	**17,200**	**-**	**(38,146)**	**19,180**
Asgaard Navegação S.A.	**99.99%**		**85,709**	**[2] 37,696**	**14,000**	**(15,906)**	**(6,191)**	**115,308**
Balance of investments		40,126	**85,709**	**37,696**	**31,200**	**(15,906)**	**(44,337)**	**134,488**
Asgaard Navigation LLP	**99.75%**		**(41.144)**	**-**	**-**	**(1,460)**	**(99)**	**[1](42,703)**
Dutovias do Brasil S.A.	**100%**	[1] (11,967)	**-**	**-**	**16,600**	**-**	**(9,392)**	**[1](4,759)**
Morro do Pilar Minerais S.A.	**100%**	[1] (295)	**-**	**-**	**1,480**	**-**	**(1,198)**	**[1](13)**
Balance of provision for capital deficiency		(12,262)	**(41,144)**	**-**	**18,080**	**(1,460)**	**(10,689)**	**(47,475)**
		27,864	**44,565**	**37,696**	**49,280**	**(17,366)**	**(55,026)**	**87,013**

1 These balances are presented as provision for capital deficiency.

2 Future capital contribution is irreversible and irrevocable, projected for 02/26/2016.

(In thousands of Reais, except where otherwise stated)

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

The changes in future capital contributions in 2015 are as follows:

	Morro do Pilar Minerais S.A.	Manabi Logística S.A.	Dutovias do Brasil S.A.	Asgaard Navegação S.A.	Total
Balances as of 12/31/2014	1.324	11.615	15.133	-	28.072
Funds remitted	173	7.521	4.583	14.402	26.679
Capitalization	(1.480)	(17.200)	(16.600)	(14.000)	(49.280)
Balances as of 12/31/2015 *	**17**	**1.936**	**3.116**	**402**	**5.471**

* The capitalization of these balances occurs within a period not greater than one year.

9. Property, plant and equipment

Parent company balances

	12/31/2015				12/31/2014			
	Cost	Depreciation	Impairment of assets	Net amount	Cost	Depreciation	Impairment of assets	Net amount
Buildings	**285**	**(31)**	**(254)**	-	285	(25)	(228)	32
Machinery and equipment	**1,782**	**(144)**	**(1,638)**	-	1,784	(102)	(1,472)	210
Furniture and fixtures	**1,028**	**(304)**	**(724)**	-	1,259	(306)	(834)	119
IT equipment	**525**	**(228)**	**(297)**	-	809	(317)	(431)	61
Communication equipment	**136**	**(66)**	**(70)**	-	181	(78)	(90)	13
Leasehold improvements	**1,435**	**(639)**	**(796)**	-	2,221	(966)	(1,098)	157
	5,191	**(1,412)**	**(3,779)**	-	6,539	(1,794)	(4,153)	592

Changes in the Parent company in the year

	Depreciation rate	12/31/2014	Acquisitions	Write-offs	Depreciation	Impairment of assets	12/31/2015
Buildings	**4%**	32	-	-	**(6)**	**(26)**	-
Machinery and equipment	**10%**	210	-	**(2)**	**(42)**	**(166)**	-
Furniture and fixtures	**10%**	119	**5**	**(86)**	**(1)**	**(37)**	-
IT equipment	**20%**	61	**1**	**(79)**	**17**	-	-
Communication equipment	**20%**	13	-	**(9)**	**(4)**	-	-
Leasehold improvements	**22%**	157	-	**88**	**(241)**	**(4)**	-
		592	**6**	**(88)**	**(277)**	**(233)**	-

(In thousands of Reais, except where otherwise stated)

9. Property, plant and equipment (Continued)

Consolidated balances

	12/31/2015				12/31/2014			
	Cost	Depreciation	Impairment of assets	Net amount	Cost	Depreciation	Impairment of assets	Net amount
Land	29,661	-	(8,515)	21,146	29,661	-	(7,452)	22,209
Buildings	285	(31)	(254)	-	285	(25)	(228)	32
Vessel in construction	112,624	-	-	112,624	-	-	-	-
Construction in progress	70,591	-	(70,591)	-	59,635	-	(24,633)	35,002
Machinery and equipment	1,782	(145)	(1,637)	-	1,784	(102)	(1,472)	210
Furniture and fixtures	1,366	(371)	(776)	219	1,322	(312)	(834)	176
IT equipment	668	(284)	(303)	81	819	(318)	(431)	70
Communication equipment	185	(76)	(85)	24	201	(79)	(90)	32
Vessels	431	(45)	-	386	-	-	-	-
Vehicles	26	(12)	-	14	-	-	-	-
Works of art	97	-	-	97	-	-	-	-
Leasehold improvements	1,536	(740)	(796)	-	2,322	(1,025)	(1,098)	199
	219,252	(1,704)	(82,957)	134,591	96,029	(1,861)	(36,238)	57,930

Changes in the consolidated balances in the year

	Depreciation rate	12/31/2014	Transaction with Asgaard (Note 2)	Acquisitions	Write-offs	Depreciation	Impairment of assets	12/31/2015
Land		22,209	-	-	-	-	(1,063)	21,146
Buildings	4%	32	-	-	-	(6)	(26)	-
Vessel in construction		-	110,001	2,870	(247)	-	-	112,624
Construction in progress		35,002	-	10,961	-	-	(45,963)	-
Machinery and equipment	10%	210	-	-	(2)	(43)	(165)	-
Furniture and fixtures	10%	176	223	-	(83)	(8)	(89)	219
IT equipment	20%	70	86	-	(79)	7	(3)	81
Communication equipment	20%	32	25	-	(9)	(9)	(15)	24
Vessels	20%	-	390	-	-	(4)	-	386
Vehicles	20%	-	15	-	-	(1)	-	14
Works of art		-	97	-	-	-	-	97
Leasehold improvements	22%	199	20	-	61	(278)	(2)	-
		57,930	110,857	13,831	(359)	(342)	(47,326)	134,591

As mentioned in Note 1, Management carried out impairment testing of the integrated iron ore project. As a result of such tests, a loss of R$47 million was verified on property, plant and equipment, which, when added to the loss verified in 2014, totals R$83 million.

Construction in progress 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.

(In thousands of Reais, except where otherwise stated)

9. **Property, plant and equipment** (Continued)

Vessel in construction includes expenditures related to the Asgaard Sophia OSRV (oil spill recovery vessel), built by the Aliança shipyard, which was completed in January 2016. As mentioned in Note 1, Management also carried out impairment tests for this asset and there was no indication of impairment loss.

10. Intangible assets

According to the Company's accounting practices, as mentioned in Note 4 and in line with IFRS 6 – Exploration for and Evaluation of Mineral Rights, the total expenditure with exploration and evaluation that was capitalized over the years, as mentioned in Note 1, was subject to impairment in 2015 and 2014 in the amount of R$107,659 and R$697,054, respectively.

The Morro Escuro Project totaling R$74,078 was fully impaired in 2014.

The changes in intangible assets during the 2015 year are as follows:

	12/31/2014			12/31/2015				
	Cost	Impairment of assets	Net amount	Transaction with Asgaard (Note 2)	Additions	Amortization	Impairment of assets	Net amount
Expenditures related to exploration and evaluation of mineral resources and prospecting rights	232,795	(206,106)	26,689	-	5,495	-	(32,184)	-
Expenditures related to licensing phase	6,224	(5,525)	699	-	180	-	(879)	-
Management system (ERP)	-	-	-	542	9	(25)	-	526
Intangible assets acquired in business combination	546,868	(485,423)	61,445	-	-	-	(61,445)	-
Rail spur	10,831	-	10,831	-	2,320	-	(13,151)	-
	796,718	(697,054)	99,664	542	8,004	(25)	(107,659)	526

(In thousands of Reais, except where otherwise stated)

11. Income and social contribution taxes

As of December 31, 2015, the Company's income and social contribution tax losses amounted to R$93 million, 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.

12. Transactions with related parties

Loans between individuals and entities

The balances of transactions with related parties as of December 31, 2015 are listed below. There are no outstanding transactions as of December 31, 2014.

Lender	Borrower	12/31/2015
Asgaard Navegação S.A.	Asgaard Navigation LLP	37,696
Asgaard Navegação S.A.	Asgaard Navigation LLP	1,285
Asgaard Navegação S.A.	Maverick Holding S.A.	556
Asgaard Navegação S.A.	Maverick Navegação S.A.	974
Asgaard Navegação S.A.	Patrícia Tendrich Pires Coelho	362
Maverick Holding S.A.	Asgaard Navigation LLP	232
Patrícia Tendrich Pires Coelho	Asgaard Navigation LLP	1,557

The loan of R$37,696 between subsidiaries Asgaard Navegação S.A. and Asgaard Navigation LLP relates to the credit the Company had in the latter, which was transferred on 12/30/2015 as future capital contribution in the subsidiary Asgaard Navegação S.A. This loan is denominated in Reais with maturity on 11/25/2016 and is not subject to interest.

The loan of R$1,285 between the subsidiaries above relates to the period before the merger mentioned in Note 2, is denominated in Reais, has no maturity and is not subject to interest.

12. Transactions with related parties (Continued)

Loan between individuals and entities (Continued)

The other loans involving subsidiary Asgaard Navegação S.A., as lender, as presented in the above chart, occurred with the following entities and pursuant to the following conditions:

(i) Maverick Holding S.A. (Company shareholder), in the amount of R$556, with disbursements between October 26 and November 27, adjusted by the Interbank Deposit Certificate (CDI) plus 5% per year, maturing on 02/18/2016;

(ii) Maverick Navegação S.A. (entity controlled by the Company's CEO), in the amount of R$974, with disbursements between November 12 and December 9, adjusted by CDI plus 5% per year, maturing on 02/18/2016.

(iii) Patrícia Tendrich Pires Coelho (Company's CEO), in the amount of R$362, with disbursements between July 7 and December 16, adjusted by CDI plus 5% per year, maturing on 02/18/2016.

Management understands that the interest to which such loans is subject are in line with the rates adopted in the market.

On February 17, 2016, Asgaard Navegação S.A. and its counterparties entered into amendments to such loans, establishing that the new maturity date would be April 29, 2016.

The loans taken out by subsidiary Asgaard Navigation LLP refer to the period prior to the transaction mentioned in Note 2, where Maverick Holding S.A.'s loan, in the amount of R$232 is denominated in Reais and Patrícia Tendrich Pires Coelho's loan, in the amount of R$1,557, is denominated in US dollars. Neither loan is subject to interest nor has a maturity date.

Compensation of key management personnel

The Company considers all current officers and board members to be key management personnel. For the twelve-month period ended December 31, 2015, the compensation of these officers and board members was R$6,810 and R$1,880, respectively. The annual fees of the officers and board members for the period from May 1, 2015 to April 30, 2016 in the aggregate amount of up to R$5,700 and R$2,000, respectively, were approved in the Annual General Meeting held on April 30, 2015.

12. 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 December 31, 2015, a total of 22,520 (twenty-two thousand, five hundred and twenty) 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.

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

(In thousands of Reais, except where otherwise stated)

12. 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 these financial statements:

Plan	Grant date	Initial maturity date	Vesting date	Number of shares	Annual volatility	Risk free rate	Dilution factor	Fair value of options
2011.1	10/15/2011	10/15/2012	10/15/2017	4,250	40.41%	11.35%	99.41%	**3,850**
2011.1	10/15/2011	10/15/2013	10/15/2018	4,250	39.47%	11.35%	98.82%	**4,098**
2011.1	10/15/2011	10/15/2014	10/15/2019	4,250	38.95%	11.34%	98.23%	**4,324**
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**
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	100	38.13%	9.39%	97.68%	**153**
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	550	39.58%	11.73%	98.38%	**799**
2013.4	10/01/2013	10/01/2015	10/01/2020	150	38.81%	11.79%	97.46%	**232**
Total 12/31/2015				**22,520**				**22,812**

(In thousands of Reais, except where otherwise stated)

12. Transactions with related parties (Continued)

Share based compensation (stock options) (Continued)

The monetary effects of share-based compensation for purchase of shares recorded in equity and in P&L are as follows:

Programs	2011	2012	2013	2014	2015	2016	Total
1st	904	4,135	4,086	3,147			12,272
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	19	-	**(52)**		-
7th			749	1,124	**(147)**	59	1,785
8th			422	449	**(78)**		793
9th			263	270	**(168)**		365
10th			328	878	**(183)**	8	1,031
	904	6,393	8,219	7,708	**(479)**	67	22,812
Options expired [1]	35	906	679	1,029			
Recorded in statement&L	939	7,299	8,898	8,737	(479) [2]		
Accumulated amount in equity	939	8,238	17,136	25,873	**25,394**		

1 In accordance with accounting standards, the options expired due to failure to exercise the rights, previously recorded in P&L, are not subject to reversal.

2 This amount includes reversal of non-exercisable options, previously recorded in P&L due to the dismissal of beneficiaries during the period.

In the event the beneficiary resigns from his position, the options not yet exercisable expire without any indemnity or compensation and the exercisable options may be exercised within ninety days. To date, 2,480 (two thousand, four hundred and eighty) shares expired due to non-exercise of the option, corresponding to R$2,649, measured upon granting of the options and recognized in P&L and equity during the vesting period.

No stock options were exercised during the year.

(In thousands of Reais, except where otherwise stated)

12. Transactions with related parties (Continued)

Share based compensation (stock options) (Continued)

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

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 this case, the non-exercisable options expire without any indemnity or compensation.

13. Bank loans

In the second half of 2015, subsidiary Asgaard Navegação S.A. obtained credit lines with Banco Itaú in the aggregate amount of R$20,500.

The first transaction, with disbursements totaling R$3,500, occurred between July 6 and August 26. Disbursement of the supplementary amounts, totaling R$17,000, occurred between September 16 and November 27. The amounts were obtained for a period of 30 days and have been renewed for equal periods on each maturity date. The respective total effective costs thereof, as of 12/31/2015, were 75.26% and 19.86% per year. The amount of R$17,000 is guaranteed by Marketable securities (Note 6) of the parent company, while the residual amount is not guaranteed.

Debt composition	Effective cost	Interest current	Principal current	Total 2015
Banco Itaú	19.86% p.a.	141	17,000	17,141
Banco Itaú	75.26% p.a.	107	3,500	3,607
		248	20,500	20,748

On March 14, 2016, management settled the credit line for R$17,000.

14. Trade accounts payable

The balance of R$3,008 as of December 31, 2015 largely relates to general and administrative services (R$6,289 as of December 31, 2014), with an average settlement period of 30 days, not subject to financial charges.

15. Litigation

As of December 31, 2015, the Company and its subsidiary Asgaard Navegação S.A. are parties to the lawsuits listed below, which, pursuant to the concept of assessment adopted for legal liabilities and based on legal opinion, were classified as possible or remote losses.

The main items are shown below:

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, issued by the Municipality of Morro do Pilar, for purposes of implementation of the Morro do Pilar Project (MOPI). 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 amending its legislation for the use and occupation of the land in order to conform to federal law requirements, with which the MOPI Project is compliant. With the amendment to 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 adequate 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.

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 called Fazenda das Lages that is allegedly 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.

Writ of Prevention filed on 09/17/14 by the Public Attorney's Office of the State of Minas Gerais (in which the Federal Public Attorney's Office subsequently became part of the lawsuit as claimant) and Civil Class Action filed on 10/17/14 questioning the validity of the consent issued by IBAMA for purposes of future suppression of forest fragment within the Atlantic Forest Biome, in the context of the licensing process for the MOPI project. The Claimants claim that there is Biome vegetation in the primary stage that would prevent any mining activity. The injunction was granted to suspend the Preliminary Consent, having been reformed in the Suspension of Injunction managed by the Municipality of Morro do Pilar on 10/16/14. Thus, once the injunction was canceled, the lawsuit resumed the usual procedure and is currently in evidence discovery phase. Once it is demonstrated that the Preliminary Consent was duly granted, the lawsuit will lack grounds.

15. Litigation (Continued)

Writ of Mandamus filed on 02/25/2015 by subsidiary Asgaard Navegação S.A. against acts of the Acting Supervisory Assistant of the State of Rio de Janeiro and of the State Inspector of the Inspection Department Specialized in Foreign Trade, in course before the 11th Court of Public Finance of the Justice Court of Rio de Janeiro. The actual value of the dispute is R$6,550 and the purpose of this lawsuit is to seek suspension of the enforceability of the State Value-Added Tax (ICMS) levied on customs clearance of imported vessels under the Temporary Admission Regime. In this lawsuit, Asgaard Navegação S.A. obtained approval of the injunction. To date there is no final decision on the proceedings in reference as to the possibility of loss upon resolution of the above-mentioned matter.

In addition to the preceding items, on November 24, 2015, the Company, its subsidiary Asgaard Navegação S.A. (Asgaard) and bank BNP Paribas Brasil S.A. (BNP) entered into an agreement for acknowledgement of debt and other covenants. The purpose of the acknowledgement of debt is to suspend, until April 5, 2016, the lawsuit filed by BNP against Asgaard. This lawsuit, filed in 2014, refers to a contract dispute regarding a success fee in the amount of R$1,849, originated by BNP's role as Asgaard's financial advisor in a strategic transaction. The extinction of the lawsuit is subject to settlement of the amount due to BNP by the Company for its role as advisor in the merger transaction mentioned in Note 2.

The Company, in the context of the previously mentioned business transaction, paid R$3,704 on December 1st, 2015 to bank BNP, and the outstanding balance, in the amount of R$3,625, shall be paid by March 30 of this year.

Also in the context of the business transaction mentioned, on November 25, 2015, the Company paid R$9,112 to the Canadian Imperial Bank of Commerce. This payment, resulting from a success fee due to completion of the transaction, occurred immediately upon completion thereof and extinguished any possibility of arbitration.

Throughout the first quarter of 2016, the Company received labor subpoenas from a former contractor and a former employee. The first suit was shelved after a labor settlement was approved by the competent court after payment of R$241 and the second suit is still in progress. Management accepts that the measures taken for restructuring of the Company, as detailed in the operating context, may give rise to new labor lawsuits during the statutory limitation period.

16. 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, until November of 2018 extendable to 2020, for the MOPI project to be granted:

The Company must acquire approximately 3,700 hectares of land for implementation of the project in phase 1. In addition to this area, it is necessary to acquire 3,600 hectares of land to be used for constitution of environmental compensations and regularization of legal reserve. These expenditures are estimated at R$60 million.

The Company estimates an amount of R$20 million related to the environmental compensation set forth in article 36 of Law No. 9985/2000 (national nature conservation units system - SNUC). This amount is payable in four monthly installments, 30 days after granting of the Construction License.

In order to meet the other environmental conditions and obligations, the Company estimates R$21 million in expenditures primarily related to environmental control programs and compliance with the provisions defined by the Public Attorney's Office of Minas Gerais.

In addition to the conditions mentioned above, also subject to implementation of the MOPI Project, the Company estimates R$15 million in other expenditures related to social and environmental compensations and support in the implementation of infrastructure of the municipalities located in the Project's area of direct influence.

17. Provisions

The Company's provisions (consolidated) refer to: (i) second installment of right of way agreements for the pipeline, in the amount of R$1,642 (R$425 as of December 31, 2014), due upon notarial regularization by the owners of the affected properties, (ii) recovery of geological survey squares and accesses in the MOPI project region, in the amount of R$350, and (iii) undefined costs related to the transaction mentioned in Note 2, in the amount of R$1,031.

18. Transaction costs

Refer mainly to success fees due to financial advisors as a result of the business transaction with Asgaard.

(In thousands of Reais, except where otherwise stated)

19. Refunds to clients

This amount to be refunded refers to tax paid in excess on temporary import of foreign vessel, which, when received, should be passed on to the customer receiving the services.

20. Equity

Capital

As described in Note 2, on August 26, 2015, the following events were approved: (i) creation of class "C" preferred shares; (ii) conversion of class "A" and class "B" preferred shares into class "C" preferred shares and common shares, (iii) redemption and cancellation of all class "C" preferred shares with reduction of the share capital in R$353,362 and (iv) increase of R$44,565 in the capital upon issuance of 1,019,650 common shares, corresponding to the merger of Maverick Logística S.A.

In addition to the above-mentioned events, a substantial part of the private subscription in the amount of R$209,479 related to the post-merger capital increase, also mentioned in Note 2, took place at the end of the year corresponding to the issuance of 750,753 common shares.

Thus, as of December 31, 2015, the Company's subscribed share capital is represented by 3,052,453 common shares as detailed below:

Shareholders	Common shares	%
Maverick Holding S.A.	**1,765,865**	57.85
Fábrica Holding S.A.	**154,072**	5.05
Ontario Teachers' Pension Plan	**227,578**	7.46
Korea Investment Corporation	**244,909**	8.02
EIG - Global Energy Partners	**188,969**	6.19
Other	**471,060**	15.43
	3,052,453	**100,00**

Pursuant to the amendment to the articles of incorporation, approved at the Speical General Meeting held on August 26, 2015, the Company's share capital may be increased by decision of the Board of Directors, regardless of any amendment to the articles of incorporation, by up to 6,000,000 (six million) common shares. The Board of Directors may determine the number of shares to be issued, the issue price, and the conditions for subscription, payment and issuance.

(In thousands of Reais, except where otherwise stated)

20. Equity (Continued)

Loss per share

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

	2015	2014
Loss attributable to shareholders	(185,443)	(750,406)
Shares outstanding	1,680,072	1,040,000
Loss per share – basic and diluted - in Reais *	**(110.38)**	**(721.54)**

* The loss for the year is antidilutive for the holders of stock options and subscription warrants.

Changes in equity

The amount of R$17,464 recognized as accumulated losses refers to the changes in equity of Maverick Logística S.A., as shown in the table of the assets acquired and liabilities assumed in the transaction mentioned in Note 2, between the reference date (03/31/2015) and effective date of the transaction (11/06/2015), including the period of the precedent conditions mentioned.

21. Financial income

The financial income for the year consists primarily of the proceeds from marketable securities mentioned in Note 6.

22. Financial instruments

Analysis of financial instruments

The Company and its subsidiaries assessed their financial assets and liabilities in relation to market values, using the available financial statements and appropriate valuation methodologies. However, interpretation of market data and selection of valuation methods require considerable judgment and estimates to calculate the most appropriate realizable value. As a result, the estimates presented do not necessarily indicate the amounts that may

(In thousands of Reais, except where otherwise stated)

22. Financial instruments (Continued)

Analysis of financial instruments (Continued)

be realized in the current market. Use of different market assumptions and/or methodologies may have a material effect on the estimated realizable values.

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

Classifications of financial instruments by category

Classification of the financial assets and liabilities of the Company and its subsidiaries by category is as follows:

	Consolidated					
	12/31/2015			12/31/2014		
Financial assets (liabilities)	Receivables/ costs to be amortized	Fair value	Total	Receivables/ costs to be amortized	Fair value	Total
Cash and cash equivalents	156	-	156	26	-	26
Marketable securities	-	42,472	42,472	-	450,048	450,048
Trade accounts payable	-	3,008	3,008	-	6,289	6,289
Bank loans	-	20,748	20,748	-	-	-
	156	66,228	66,384	26	456,337	456,363

Measurement of fair value

The table below shows an analysis of the financial instruments recognized at fair value, after initial recognition. These financial instruments are grouped into levels from 1 to 3, based on the degree that their fair value is quoted:

Level 1 – measurement of fair value is derived from quoted prices (unadjusted) in active markets based on identical assets and liabilities;

Level 2 - measurement of fair value is derived from other priced inputs included in Level 1, that are priced through an asset or liability, whether directly (that is, as the prices) or indirectly (that is, derived from prices);

Level 3 - measurement of fair value is derived from valuation techniques that include an asset or liability without active market.

22. Financial instruments (Continued)

Measurement of fair value (Continued)

	Level 1	Level 2	Level 3
Cash and cash equivalents	-	156	-
Marketable securities	-	42,472	-

Risk management

The financial transactions of the Company and its subsidiaries are carried out by the financial department in accordance with the conservative strategy, seeking safety, reliability and liquidity, in line with the Company's Treasury and Cash Management Policy. The policy establishes criteria for protection against financial risks resulting from undertaking of obligations, whether in foreign or local currency, in order to manage the exposure risks associated with foreign exchange and interest rate.

The main market risk factors that may affect the business of the Company and its subsidiaries are:

Credit risk

Financial instruments subject to credit risks refer to the cash equivalents and receivables. All transactions are carried out with institutions with recognized liquidity and in line with the Company's Treasury and Cash Management Policy.

Interest rate risk

This risk results from the possibility of incurring losses due to interest rate fluctuations that increase financial expenses arising primarily from loans. The inherent risk arises from the possibility of significant fluctuations in the CDI.

Liquidity risk

Represents the risk of shortage and difficulty for the Company to honor its debts. The Company and its subsidiaries seek to align the maturity of its debts with the cash generation period to avoid discrepancies and the need for greater leverage.

23. Insurance coverage

On July 4, 2015, the D&O insurance was renewed in the insured amount of up to 70,000. The renewal was carried out with insurer Ace Seguradora S.A., who submitted commercial conditions more favorable for the Company.

As a result of the transaction mentioned in Note 2, in December 2015, the Company included its new subsidiaries Asgaard Navegação S.A. and Asgaard Navigation LLP in the same policy.

Patrícia Tendrich Pires Coelho
Chief Executive Officer

Paulo Marcos Vargas de Andrade
Chief Financial Officer