Quarterly Financial Information

MLog S.A.

September 30, 2016

with Independent Auditor’s Report of Quarterly Financial Information

MLog S.A.

Quarterly financial information

September 30, 2016

Contents

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Report on the review of quarterly information - ITR

(A free translation of the original report in Portuguese, as filed with the Brazilian Securities and Exchange Commission (CVM), prepared in accordance with the accounting practices adopted in Brazil, rules of the CVM and of the International Financial Reporting Standards - IFRS)

To
The Board of Directors and Shareholders of
MLog S.A.
Rio de Janeiro - RJ

Introduction

We have reviewed the individual and consolidated interim accounting information of MLog S.A. ("Company"), included in the quarterly information form - ITR for the quarter ended September 30, 2016, which comprises the balance sheet as of September 30, 2016 and the respective statements of operations and comprehensive income for the three and nine-month periods ended at that date and of changes in shareholders' equity and of cash flows for the nine-month period then ended, including the explanatory notes.

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

Scope of the review

We conducted our review in accordance with Brazilian and International Interim Information Review Standards (NBC TR 2410 - *Revisão de Informações Intermediárias Executada pelo Auditor da Entidade* and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries primarily of the management responsible for financial and accounting matters and applying analytical procedures and other review procedures. The scope of a review is significantly less than an audit conducted in accordance with auditing standards and, accordingly, it did not enable us to obtain assurance that we were aware of all significant matters that would have been identified in an audit. Therefore, we do not express an audit opinion.

Conclusion on the interim accounting information
Based on our review, nothing has come to our attention that cause us to believe that the individual and consolidated interim accounting information included in the aforementioned quarterly information has not been prepared, in all material respects, in accordance with CPC 21(R1) and IAS 34, issued by IASB, applicable to the preparation of the quarterly information - ITR and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission - CVM.

Emphasis

Going concern
We draw attention to Note 1 (Quarterly Information ITR), Management's business plan are established to provide support services to the oil and gas industry and anticipates revenue growth with future services agreements as well as acquisition of other companies with the objective of seeking synergy to increase operations. As of September 30, 2016, the Company's operating results is not sufficient in order its activities become profitable. The recoverability of amounts registered in non-current assets, as well as the ability to accomplish with its current financial obligations, depends on the success of the plan. These conditions, along with other matters described in Note 1, indicate the existence of significant uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern. Our conclusion is not qualified due to this matter.

Other matters

Statements of added value
We have also reviewed the statements of added value, individual and consolidated, for the nine-month period ended September 30, 2016, prepared under the responsibility of the Company`s management, for which presentation is required by Brazilian Corporation Law for public companies and considered as supplementary information by IFRS, which does not require the presentation of the statements of added value. These statements were submitted to the same review procedures described previously and, based on our review, nothing has come to our attention that cause us to believe that they have not been prepared, in all material respects, in relation to the individual and consolidated interim accounting information, taken as a whole.

Audit of the figures for the previous year and review of the figures for the third quarter from previous year
The individual and consolidated interim accounting information corresponding to the year ended December 31, 2015 and quarter ended September 30, 2015, presented for comparison purposes, were examined and reviewed by other independent auditors, who issued an audit report on March 29, 2016 and a review report on November 13, 2015, respectively, which did not have any modification.

Rio de Janeiro, November 10, 2016

KPMG Auditores Independentes
CRC SP-014428/O-6 F-RJ
Original in Portuguese signed by
Anderson C. V. Dutra
Accountant CRC RJ-093231/O-6

MLog S.A.

Balance sheets
September 30, 2016 and December 31, 2015
(In thousands of Reais)

		Parent company		Consolidated	
	Note	09/30/2016	12/31/2015	09/30/2016	12/31/2015
Assets					
Current assets					
Cash and cash equivalents	4	43	21	1,075	156
Marketable securities	4		42,472		42,472
AFRMM deposits in escrow account	5			79,854	
Trade accounts receivable				5,787	
Advances to suppliers		44		1,323	
Inventories				622	
AFRMM to be released	5			21,112	
Related parties loans	11	484		2,925	1,892
Recoverable taxes	6	6,663	6,983	12,043	10,323
Other		238	334	2,826	1,187
Total current assets		7,472	49,810	127,567	56,030
Non-current assets					
Advances for future capital increase	7	35,291	5,471		
Judicial deposits				1,591	5
Investments	7	134,606	134,488		
AFRMM to be released	5			32,291	
Property, plant and equipment	8	3,654		237,702	134,591
Intangible assets	9	717,854		780,738	526
Total non-current assets		891,405	139,959	1,052,322	135,122
Total assets		898,877	189,769	1,179,889	191,152
Liabilities					
Current liabilities					
Trade accounts payable	13	614	172	5,842	3,008
Bank loans	12			3,550	20,748
Employee-related accruals		637	708	4,008	1,198
Tax liabilities		125	598	566	1,781
Related parties loans	11	5,434		1,525	1,789
Transaction costs	17	2,355	4,597	21,095	19,472
Provisions	16	230	1,381	1,872	3,023
Obligations in acquisition of investments	1			8,194	
Other		57	309	1,936	447
Total current liabilities		9,452	7,765	48,588	51,466
Non-current liabilities					
Provision for losses on investments	7	44,009	47,475		
Deferred income tax and social contribution	10			376	
Refunds to clients	18			5,741	5,257
Tax liabilities				328	
Government subsidies to be appropriated- AFRMM	5			183,345	
Obligations in acquisition of investments	1			94,544	
Provisions				1,645	
Total non-current liabilities		44,009	47,475	285,979	5,257
Equity	19				
Capital stock		1,111,835	1,110,857	1,111,835	1,110,857
Share-based compensation reserve	11	25,308	25,394	25,308	25,394
Accumulated losses		(299,623)	(1,001,722)	(299,623)	(1,001,722)
Cumulative translation adjustments		7,896		7,896	
Equity attributable to controlling shareholders		845,416	134,529	845,416	134,529
Non-controlling shareholder interest				(94)	(100)
Total equity		845,416	134,529	845,322	134,429
Total liabilities and equity		898,877	189,769	1,179,889	191,152

See accompanying notes.

MLog S.A.

Statements of operations
Nine month period ended September 30, 2016 and 2015
(In thousands of Reais, except for loss per share, in Reais)

	Note	Parent company		Consolidated	
		09/30/2016	09/30/2015	09/30/2016	09/30/2015
Net operating income	**20**			**16,078**	
Cost of services	**20**			**(11,049)**	
				5,029	
Operating expenses					
Personnel		**(7,852)**	(24,658)	**(13,579)**	(24,658)
Services rendered		**(697)**	(12,922)	**(1,112)**	(13,697)
General and administrative		**(1,530)**	(2,942)	**(6,774)**	(3,393)
Depreciation and amortization			(276)		(323)
Taxes		**(199)**	(818)	**(1,100)**	(896)
Other operating income (expenses)					
Equity results in subsidiaries	**7**	**(9,352)**	(1,359)		
Government grants - AFRMM	**5**			**933**	
Reversal of Impairment of assets	**8,9**	**734,350**		**813,457**	
Write-off of non-recoverable assets	**8.9**	**(13,151)**		**(83,964)**	
		701,569	(42,975)	**707,861**	(42,967)
Operating loss before financial results		**701,569**	(42,975)	**712,890**	(42,967)
Financial income and expenses					
Financial income	**21**	**1,541**	39,460	**3,057**	39,461
Financial expenses	**22**	**(1,011)**	(11)	**(13,394)**	(20)
		530	39,449	**(10,337)**	39,441
Profit (loss) before income tax and social contribution		**702,099**	(3,526)	**702,553**	(3,526)
Income tax and social contribuiton	**10**				
Current				**(489)**	
Deferred				**21**	
Profit (loss) for the period		**702,099**	(3,526)	**702,085**	(3,526)
Profit (loss) attributable to:					
Shareholders of the Parent company				**702,099**	(3,526)
Non-controlling shareholder interest				**(14)**	
Profit (loss) per share (basic and diluted)		**230.01**	(1.59)		

See accompanying notes.

MLog S.A.

Statements of operations
Three month period ended September 30, 2016 and 2015
(In thousands of Reais, except for profit (loss) per share, in Reais)

	Note	Parent company		Consolidated	
		07/01/2016 to 09/30/2016	**07/01/2015 to 09/30/2015**	**07/01/2016 to 09/30/2016**	**07/01/2015 to 09/30/2015**
Net operating income	**20**			**10,844**	
Cost of services	**20**			**(8,079)**	
				2,765	
Operating expenses					
Personnel		**(1,813)**	(4,324)	**(3,395)**	(4,324)
Services rendered		**(459)**	(2,619)	**(727)**	(2,705)
General and administrative		**(310)**	(551)	**(1,370)**	(674)
Depreciation and amortization			(16)		(32)
Taxes		**(11)**	(694)	**(672)**	(744)
Other operating income (expenses)					
Equity results in subsidiaries	**7**	**6,535**	(280)		
Government grants - AFRMM	**5**			**933**	
Reversal of Impairment of assets	**8,9**	**734,650**		**813,978**	
Write-off of non-recoverable assets	**8,9**	**(13,151)**		**(83,964)**	
		725,441	(8,484)	**724,783**	(8,479)
Operating loss before financial results		**725,441**	(8,484)	**727,548**	(8,479)
Financial income and expenses					
Financial income		**232**	14,128	**1,106**	14,129
Financial expenses		**(618)**	(96)	**(3,130)**	(102)
		(386)	14,032	**(2,024)**	14,027
Profit before income tax and social contribution		**725,055**	5,548	**725,524**	5,548
Income tax and social contribution	**10**				
Current				**(489)**	
Deferred				**21**	
Profit for the period		**725,055**	5,548	**725,056**	5,548
Profit attributable to:					
Shareholders of the Parent company				**725,055**	5,548
Non-controlling shareholder interest				**1**	
Profit per share (basic and diluted)		**237.53**	2.50		

See accompanying notes.

MLog S.A.

Statements of comprehensive Income
Nine month period ended September 30, 2016 and 2015
(In thousands of Reais)

	Parent company		Consolidated	
	09/30/2016	09/30/2015	09/30/2016	09/30/2015
Profit (loss) for the period	**702,099**	(3,526)	**702,085**	(3,526)
Other comprehensive income				
Cumulative translation adjustments	**7,896**		**7,916**	
Comprehensive profit (loss) for the period	**709,995**	(3,526)	**710,001**	(3,526)
Comprehensive profit (loss) attributable to:				
Shareholders of the Parent company			**709,995**	(3,526)
Non-controlling shareholder interest			**6**	

Three month period ended September 30, 2016 and 2015
(In thousands of Reais)

	Parent company		Consolidated	
	07/01/2016 to 09/30/2016	07/01/2015 to 09/30/2015	07/01/2016 to 09/30/2016	07/01/2015 to 09/30/2015
Profit for the period	**725,055**	5,548	**725,056**	5,548
Other comprehensive income				
Cumulative translation adjustments	**(32)**		**(32)**	
Comprehensive profit for the period	**725,023**	5,548	**725,024**	5,548
Comprehensive profit attributable to:				
Shareholders of the Parent company			**725,023**	5,548
Non-controlling shareholder interest			**1**	

See accompanying notes.

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Statements of Changes in Equity
Nine month period ended September 30, 2016 and 2015
(In thousands of Reais)

	Capital stock			Capital reserves					
	Subscribed	To be paid	Equity issuance costs	Subscription warrant	Share-based compensation reserve	Accumulated losses	Cumulative translation adjustments	Non-controlling shareholder interest	Total
At December 31, 2014	1,418,130		(36,464)	1	25,873	(798,913)			608,627
Stock options					(173)				(173)
Loss for the period						(3,526)			(3,526)
Cancellation of subscription warrant				(1)					(1)
At September 30, 2015	1,418,130		(36,464)		25,700	(802,439)			604,927
At December 31, 2015	**1,318,812**	**(171,491)**	**(36,464)**		**25,394**	**(1,001,722)**		**(100)**	**134,429**
Capital increase	**13**	**(11)**							**2**
Paid-in capital		**976**							**976**
Translation adjustments (Note 19)							**7,896**	**20**	**7,916**
Stock options (Note 11)					**(86)**				**(86)**
Loss for the period						**702,099**		**(14)**	**702,085**
At September 30, 2016	**1,318,825**	**(170,526)**	**(36,464)**		**25,308**	**(299,623)**	**7,896**	**(94)**	**845,322**

See accompanying notes.

MLog S.A.

Statements of Cash Flows
Nine month period ended September 30, 2016 and 2015
(In thousands of Reais)

	Parent company		Consolidated	
	09/30/2016	**09/30/2015**	**09/30/2016**	**09/30/2015**
Cash flows from operating activities				
Profit (loss) for the period	**702,099**	(3,526)	**702,085**	(3,526)
Adjustments to reconcile the loss for the year to cash from operating activities				
Depreciation and amortization		276	**4,338**	323
Write-off of non-recoverable assets	**13,151**	118	**83,964**	118
Stock options	**(86)**	(173)	**(86)**	(173)
Reversal of Impairment of assets	**(734,350)**		**(813,457)**	
Government grants - AFRMM			**(933)**	
Exchange variatiance			**7,319**	
Marketable securities income	**(880)**	(39,035)	**(880)**	(39,035)
Equity results in subsidiaries	**9,352**	1,359		
Earnings from AFRMM deposits in escrow account			**(663)**	
Changes in assets and liabilities				
Recoverable taxes	**320**	1,545	**(1,036)**	1,516
Inventories			**(345)**	
Other assets	**97**	(290)	**(2,480)**	(307)
Trade accounts receivable			**471**	
Advances to suppliers	**(44)**		**734**	
Receipt of AFRMM subsidy			**259**	
Deferred income tax and social contribution			**(22)**	
Trade accounts payable	**522**	526	**2,347**	563
Interest payable	**897**		**3,267**	
Employee-related accruals	**(20)**	1,694	**396**	1,694
Tax liabilities	**(461)**	(251)	**(876)**	(255)
Interest on loans with related parties	**26**		**(326)**	
Transaction costs	**(60)**		**105**	
Other liabilities	**(252)**		**(1,563)**	
Provisions	**(848)**		**(918)**	
Net cash used in operating activities	**(10,537)**	(37,757)	**(18,300)**	(39,082)
Cash flows from investing activities				
Advances for future capital increase	**(34,860)**	(11,638)		
Loans with related parties - received	**2,312**		**84**	
Loans with related parties - granted	**(465)**		**(787)**	
Redemption of marketable securities	**43,350**	218,930	**43,350**	218,930
Acquisition of property, plant and equipment	**(8)**	(7)	**(7,536)**	(10,322)
Additions to intangible assets	**(746)**	(14,140)	**(784)**	(14,140)
Net cash from investing activities	**9,583**	193,145	**34,327**	194,468
Cash flows from financing activities				
Paid-in capital	**976**		**976**	
Payment of Bank loan			**(17,000)**	
Dividends paid			**(1,650)**	
Capital decrease		(155,405)		(155,405)
Net cash used in financing activities	**976**	(155,405)	**(17,674)**	(155,405)
Increase (decrease) in cash and cash equivalents	**22**	(17)	**(1,647)**	(19)
Cash and cash equivalents at the beginning of the period	**21**	24	**2,722**	26
Cash and cash equivalents at the end of the period	**43**	7	**1,075**	7

See accompanying notes.

MLog S.A.

Statements of added value (supplementary information for IFRS purposes)
Nine month period ended September 30, 2016 and 2015
(In thousands of Reais)

	Parent company		Consolidated	
	09/30/2016	**09/30/2015**	**09/30/2016**	**09/30/2015**
Operating income				
Services			**18,943**	
Inputs acquired from third parties				
Cost of the services			**(11,048)**	
General and administrative expenses	**(2,104)**	(14,701)	**(5,875)**	(15,791)
Expenses with stock options granted	**86**	173	**86**	173
Depreciation and amortization		(276)	**(671)**	(323)
Reversal of Impairment of assets	**721,199**		**729,493**	
Transferred added value received				
Net financial income	**530**	39,449	**(10,337)**	39,441
Equity results in subsidiaries	**(9,352)**	(1,359)		
Total added value to be distributed	**710,359**	23,286	**720,591**	23,500
Distribution of added value				
Personnel				
Direct remuneration	**2,470**	12,553	**6,231**	12,553
Management fees	**3,445**	7,135	**3,461**	7,135
Benefits	**318**	876	**1,558**	876
Accrued severance indemnity (FGTS)	**544**	1,364	**881**	1,364
	6,777	21,928	**12,131**	21,928
Tax				
Federal	**1,355**	3,712	**5,188**	3,790
Estadual			**698**	
Municipal	**5**	9	**61**	9
Third-party capital remuneration				
Leases	**123**	1,163	**428**	1,299
Profit (loss) for the period attributable to:				
Shareholders of the Parent company	**702,099**	(3,526)	**702,099**	(3,526)
Non-controlling shareholder interest			**(14)**	
	710,359	23,286	**720,591**	23,500

See accompanying notes.

1. Operations

MLog S.A. (MLog or Company) has full control of Morro do Pilar Minerais S.A.(MOPI), Companhia de Desenvolvimento do Norte Capixaba (CDNC), Dutovias do Brasil S.A. (Dutovias), 99.99% of Asgaard Navegação S.A.(Asgaard Navegação) and 99.75% of Asgaard Navigation LLP (Asgaard Navigation).

The subsidiaries MOPI, Dutovias and CDNC operate in the mining and logistics segments while Asgaard Navegação and Asgaard Navigation operate in charter and operation of offshore support vessels for the oil and gas industry.

On March 24, 2016, its subsidiary Asgaard Navegação, Petróleo Brasileiro S.A. (“Petrobras”), and Petrobras Logística de Exploração e Produção (“PB-LOG”) entered into a charter agreement for vessel Asgaard Sophia for a term of 180 days.
This vessel started operating on March 30, 2016. On October 14, 2016, Asgaard Navegação, Petrobras, and PB-Log entered into a contract addendum for an additional 180 days as set forth in the initial contract dated March 24, 2016.

Also in March 2016, Petrobras opened a new bidding procedure for charter of an OSRV for a period of four years, renewable for an equal period. On April 15, 2016, Asgaard Navegação offered vessel Asgaard Sophia in this bidding procedure. On September 12, 2016, the results of this bidding procedure were disclosed and Asgaard Navegação’s proposal was classified both technically and commercially. The final result of this bidding procedure will be disclosed in the upcoming months and operation of Asgaard Sophia under this new contract will begin within 30-days from procurement.

On July 27, 2016, Asgaard Navegação entered into a bareboat charter agreement with Gulfmark Serviços Marítimos do Brasil S.A. (“Gulfmark”), with definitive purchase option, related to MPSV (multi-purpose supply vessel) Austral Abrolhos, for a period of 5 years. On September 15, 2016, the vessel was received by Asgaard Navegação and since then is being prepared for operation by a still undefined client.

On May 3, 2016, the Company, the Government of the State of Espírito Santo, and the Municipality of Linhares entered into a Memorandum of understanding (MoU) with the purpose of establishing the initial measures to be adopted by the parties in order to create a business district in the area owned by subsidiary CDNC in the municipality. The purpose of this MoU is, among other things, to develop studies to provide the project area with logistics and port access as well as the creation of an Export Processing Zone.

As regards the Pilar Hill Project, the Company continues to work on meeting the conditions of the preliminary license ("PL") obtained in November 2014. Due to the recovery in the average price of iron ore in the international market in the last months and the options to redesign the project, the Company resumed the impairment studies of the expenditures incurred with the mineral asset. As a result of such studies, it was verified that the present value of the discounted future cash flow estimated useful life, exceeds the book value. Therefore, in compliance with applicable accounting pronouncements, Management reverted R$ 730 million in impairment.

This impairment reversal resulted from adjustments in the project's discounted cash flow model, where the Company adopts updated assumptions coherent with the iron ore industry and the alternatives to redesign the project. These adjustments result from public and private information, such as confidentiality agreements in studies hired by the Company, at different times, to identify the investments required for implementation of the project, estimated operating costs, and certification of the mineral reserves.

The discounted cash flow was prepared with estimated iron ore prices (62% Fe CIF China) based on market information and adjusted for the quality of its product, characterized by the high iron content and low impurity level. The discount rate used in the future cash flow, as well as other working assumptions, were discussed in depth and is related to the Company's projected capital structure, the market risk, the country risk, and the size of the project (CAPM – Capital Asset Pricing Model).

The assets related to the port, pipeline and railway spur projects, in the amount of R$84 million, fully impaired in 2014 and 2015, were, as a result of Management's formal decision not to proceed with such licensing, definitively written-off.

Transaction with Asgaard

As fully detailed in Note 2 of the Financial Statements of December 2015, on August 26, 2015 the Company's shareholders unanimously approved at the Special General Meeting, resolutions encompassing (i) the Merger of Maverick Logística S.A. into the Company, pursuant to the terms of the Protocol and Justification of 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 mentioned Special General Meeting 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.

Business combination – acquisition of CNA

As mentioned in the Notice of Material Fact disclosed by the Company on August 11, 2016, its subsidiary Asgaard Navegação acquired all of the shares of CNA.

CNA, which was founded 72 years ago and is headquartered in Manaus-AM, is a leading river transporter of bulk liquids (raw materials and derivatives, and biofuel) in the Northern Region and has a diversified client portfolio. CNA has a team of 166 professionals, in charge of operation of its fleet of 34 double-hull barges and 17 fluvial towboats, and transported 1.1 million m³ of liquid bulk in 2015.

This transaction is in line with the Company's Business Plan and execution thereof was approved by the Company's Board of Directors, as set forth in article 18 (p) of its Bylaws.

With completion of this transaction, the Company continues its commitment to its shareholders and Board of Directors to seek cash generating assets to build up its business portfolio.

The price of acquisition based on fair value, including the installment related to contingent consideration, totaled R$100,654 to be paid as follows:

- **Initial installment: R$56,071**

  To be paid in up to eight equal and consecutive semi-annual installments, the first of which matures six months after the date of release for use of the available AFRMM credits. Each installment shall be updated based on the variation of the CDI rate plus 3% per year.

- **Additional installment: R$32,378**

  To be paid in up to eight semi-annual installments based on each new deposit into the escrow account related to AFRMM credits previous to the acquisition of CNA.
  Each installment shall be updated based on the variation of the CDI rate plus 3% per year.

- **Earn Out installment: R$12,205 (Contingent consideration)**

  To be paid according to the same conditions of the Additional instalment above, figured on AFRMM credits generated after the acquisition of CNA whose deposits into the escrow account occur until January 8, 2022.

The price of acquisition, equal to R$100,654, was allocated, according to applicable laws and accounting pronouncements, as follows:

- R$9,395: As net identifiable assets (equity as per balance sheet)
- R$28,885: As net write-up of assets based on fair value appraisal (provisionally assessed pursuant to Brazilian Accounting Pronouncement Committee (CPC) 15 - Business Combination)
- R$62,374: As goodwill

In the consolidated balance sheet, the write-up was allocated in the respective items that gave rise thereto and the goodwill allocated in intangible assets.
The Company studies the potential tax benefit arising from the business combination, related to the fair value of identifiable assets acquired and liabilities assumed, to the extent that they may generate a temporary deductible or taxable difference.

On 09/30/2016 the above acquisition price, duly updated, totaled R$102,738, where R$8,194 in the short-term and R$94,544 in the long-term.

(In thousands of Reais, except when otherwise indicated)

The fair value of the invested company's net assets, provisionally assessed pursuant to Brazilian Accounting Pronouncement Committee (CPC) 15 - Business Combination, is shown as follows:

Base date of the acquisition on August 11, 2016

ASSETS	Carrying value	Fair value
Current assets		
Cash and cash equivalents	269	269
AFRMM deposits in escrow account (Note 5)	78,627	78,627
Marketable securities	2,297	2,297
Trade accounts receivable	6,258	6,258
Recoverable taxes	681	681
Inventories	277	277
Prepaid expenses	1,103	1,103
AFRMM to be released (Note 5)	25,075	21,112
Others	111	111
	114,698	**110,735**
Non-current assets		
Long-term assets		
Judicial deposits	1,586	1,586
AFRMM to be released (note 5)	35,755	29,749
Property , plant and equipment	48,526	87,380
	85,867	**118,715**
LIABILITIES		
Current liabilities		
Trade accounts payable	979	979
Employee-related accruals	2,466	2,466
Accounts payable	3,055	3,055
Dividends payable	1,650	1,650
	8,150	**8,150**
Non-current liabilities		
Deferred Income tax and social contribution	398	398
Tax liabilities	1,714	1,714
Government subsidies to be appropriated- AFRMM (Note 5)	180,908	180,908
	183,020	**183,020**
NET ASSETS	**9,395**	**38,280**

2. Basis for preparation and presentation of the quarterly financial information

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 accounting practices adopted in Brazil (BR GAAP).

This quarterly financial information does not include all information and disclosures required for the annual financial statements therefore, should be read together with the financial statements of December 31, 2015.

The Company's Management authorized the conclusion of the preparation of this quarterly information on November 10, 2016.

3. Accounting practices

This quarterly information is presented based on the same accounting practices described in Note 4 of the audited financial statements of December 31, 2015, except for the Additional Freight for Renovation of Merchant Marine - AFRMM, which, with the acquisition of CNA mentioned in Note 1, is now as follows:

The allocation of the AFRMM to a Brazilian shipping company, both receivables and amounts released into the escrow account, while the requirements for recognition of the subsidized revenue are not met, are registered in specific accounts in assets, with converse recording in liabilities.

The amounts recorded in the specific account in liabilities are recognized in profit or loss throughout the useful life of the goods related to the subsidy, both for acquisitions and amortization of loans, in the same proportion of the respective depreciations or upon recording of the corresponding maintenance costs and expenses.

Accounting judgment, estimates and assumptions

Preparation of the individual and consolidated financial statements in accordance with IFRS and accounting practices adopted in Brazil, 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.

(In thousands of Reais, except when otherwise indicated)

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 and cash equivalents

This investment is broken down as follows:

	Consolidated	
	09/30/2016	**12/31/2015**
Government bonds		28,661
Bank Deposit Certificates (CDBs)		13,811
		42,472

The government bonds and the CDBs allocated in an exclusive investment fund were fully redeemed during June of this year. In the first half of this year this exclusive investment fund had a return rate of 99% of the Interbank Deposit Certificate (CDI)

Cash equivalentes

On 09/30/2016 subsidiary Asgaard Navegação had R$235 invested in a fixed income fund with Banco Itaú. This Fund is considered low risk, has daily liquidity and in the nine month period of this year had a rate of return of 98% of the CDI.

5. Additional Freight for Renovation of Merchant Marine - AFRMM

Subsidiary CNA, mentioned in Note 1, is the beneficiary, in accordance with Law 10,893/2004, of 100% of the AFRMM generated by its river navigation activities. Use of these funds, which extends to CNA’s affiliates, subsidiaries or parent company, is subject to acquisition of new vessels, jumboizing, conversion, modernization, docking or repair of self-owned vessels or amortization of loans related to acquisition of vessels.

(In thousands of Reais, except when otherwise indicated)

Pursuant to article 30 of Law 12,973/2014, subsidies recognized in profit or loss, up to the limit to the year's net profit, are not subject to taxation, provided they are kept in a profit reserve account (reserve for tax incentives), and use of such reserve is limited exclusively to offsetting of losses or capital increase.

On September 30, 2016, the consolidated balance sheet includes in assets the amounts of R$79,854 released into the AFRMM escrow account, R$53,403, related to generated AFRMM, awaiting release of the escrow deposit, and, in liabilities, an amount of R$183,345, awaiting the conditions mentioned in Note 3 for recognition in profit or loss.

6. Recoverable taxes

	09/30/2016	12/31/2015
	Parent Company	
Withheld at source		
Income tax on financial income	**6,656**	6,979
Others	**7**	4
	Asgaard Navegação	
Withheld at source		
Income tax on financial income		43
Income tax on services rendered	**535**	
Social contributions (PIS and COFINS) on services rendered	**407**	119
Social contribution (CSLL) on services rendered	**111**	
Social security (INSS) on services rendered	**23**	
Refund claim		
PIS and COFINS	**3,460**	3,143
Credits		
PIS and COFINS	**608**	
Others	**26**	25
	CNA	
Refund claim		
Income tax on services rendered	**85**	
Social contributions (PIS and COFINS) on services rendered	**83**	
Social contribution (CSLL) on services rendered	**8**	
Credits		
Others	**34**	
	Other subsidiaries	
Credits		
Others		10
	Consolidated	
	12,043	**10,323**

(In thousands of Reais, except when otherwise indicated)

7. Investments in subsidiaries (Parent company)

Changes in investments during the period are as follows:

Investments	Interest	12/31/2015	Capital increase	Equity results	Cumulative translation adjustments	09/30/2016
Cia de Desenvolvimento do Norte Capixaba	100%	19,180	2,000	(414)		20,766
Morro do Pilar Minerais	100%		40	8,469		8,509
Asgaard Navegação.	99.99%	115,308		(9,977)		105,331
Balance of investments		**134,488**	**2,040**	**(1,922)**		**134,606**
Asgaard Navigation	99.75%	(42,703)		(7,329)	7,896	(42,136)
Dutovias do Brasil	100%	(4,759)	3,000	(114)		(1,873)
Morro do Pilar Minerais	100%	(13)		13		
Balance of provision for losses in investments		**(47,475)**	**3,000**	**(7,430)**	**7,896**	**(44,009)**
		87,013	**5,040**	**(9,352)**	**7,896**	**90,597**

The changes in future capital contributions in the period are as follows:

	Morro do Pilar Minerais	Cia de Desenvolvimento do Norte Capixaba	Dutovias do Brasil	Asgaard Navegação	Total
Balances as of 12/31/2015	17	1,936	3,116	402	**5,471**
Funds remitted	32	422	92	34,314	**34,860**
Capitalization	(40)	(2,000)	(3,000)		**(5,040)**
Balances as of 09/30/2016 *	**9**	**358**	**208**	**34,716**	**35,291**

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

8. Property, plant and equipment

Parent company balances

	09/30/2016			12/31/2015			
	Cost	Depreciation	Net amount	Cost	Depreciation	Impairment of assets	Net amount
Buildings	**285**	**(31)**	**254**	285	(31)	(254)	
Machinery and equipment	**1,782**	**(145)**	**1,637**	1,782	(144)	(1,638)	
Furniture and fixtures	**857**	**(260)**	**597**	1,028	(304)	(724)	
IT equipment	**515**	**(223)**	**292**	525	(228)	(297)	
Comunication equipment	**144**	**(66)**	**78**	136	(66)	(70)	
Leasehold improvements	**1,435**	**(639)**	**796**	1,435	(639)	(796)	
	5,018	**(1,364)**	**3,654**	5,191	(1,412)	(3,779)	

(In thousands of Reais, except when otherwise indicated)

Changes in the Parent company balances in the period

	Depreciation rate	12/31/2015	Acquisitions	Disposals	Depreciation	Reversal of impairment of assets	06/30/2016
Buildings	4%					254	254
Machinery and equipment	10%					1,637	1,637
Furniture and fixtures	10%			(128)		725	597
IT equipment	20%			(6)		298	292
Comunication equipment	20%		8			70	78
Leasehold improvements	22%					796	796
			8	(134)		3,780	3,654

Consolidated balances

	09/30/2016				12/31/2015			
	Cost	Depreciation	Write-up of assets (Note 1)	Net amount	Cost	Depreciation	Impairment of assets	Net amount
Land	30,480			30,480	29,661		(8,515)	21,146
Buildings	285	(31)		254	285	(31)	(254)	
Vessel in construction					112,624			112,624
Construction in progress					70,591		(70,591)	
Machinery and equipment	2,125	(150)		1,975	1,782	(145)	(1,637)	
Furniture and fixtures	1,244	(348)		896	1,366	(371)	(776)	219
IT equipment	626	(251)		375	668	(284)	(303)	81
Comunication equipment	396	(91)		305	185	(76)	(85)	24
Vessels	166,080	(4,158)	38,854	200,776	431	(45)		386
Vehicles	111	(8)		103	26	(12)		14
Works of art	97			97	97			97
Building	1,645			1,645				
Leasehold improvements	1,536	(740)		796	1,536	(740)	(796)	
	204,625	(5,777)	38,854	237,702	219,252	(1,704)	(82,957)	134,591

Changes in the consolidated balances in the period

	Depreciation rate	12/31/2015	Acquisition of CNA (Note 1)	Acquisitions	Transfer and disposals	Depreciation	Reversal of impairment of assets	Write-up of assets (Note 1)	09/30/2016
Land		21,146	819				8,515		30,480
Buildings	4%						254		254
Vessel in construction		112,624	2,800	7,198	(122,622)				
Construction in progress				221	(70,813)		70,592		
Machinery and equipment	10%		336	7		(5)	1,637		1,975
Furniture and fixtures	10%	219	103	3	(129)	(25)	725		896
IT equipment	20%	81	17	4	(6)	(19)	298		375
Comunication equipment	20%	24	182	35		(6)	70		305
Vessels	5%	386	42,463	609	122,622	(4,158)		38,854	200,776
Vehicles	20%	14	97			(8)			103
Works of art		97							97
Building			1,645						1,645
Leasehold improvements	22%						796		796
		134,591	48,462	8,077	(70,948)	(4,221)	82,887	38,854	237,702

(In thousands of Reais, except when otherwise indicated)

As mentioned in Note 1, Management, due to the recovery in iron ore price levels in the international market in the last months and to the options to redesign the Pilar Hill Project, resumed impairment studies of the expenditures incurred with the mineral asset. As a result of such studies, the Company reverted R$ 12 million in PP&E assets related to the impairment carried out in 2014 and 2015.

Also as mentioned in Note 1, expenditures totaling R$70,813 included under Construction in progress, related to the Port and Pipeline projects, fully reduced as impairment in 2014 and 2015, were, as a result of Management's formal decision not to proceed with such licensing processes, definitively written off.

9. Intangible assets

According to the Company's accounting practices, and in line with IFRS 6 – Exploration for and Evaluation of Mineral Rights, the total expenditure with exploration and evaluation, related to the integrated iron ore project, that was capitalized over the years was subject to impairment in 2015 and 2014 in the amount of R$805 million.

As mentioned in Note 1, Management, due to the recovery in iron ore price levels in the international market in the last months and to the options to redesign the Pilar Hill Project, resumed impairment studies of the expenditures incurred with the mineral asset. As a result of such studies, the Company reverted in intangible assets the amount of R$ 718 million.

Also as mentioned in Note 1, expenditures in the amount of R$13,151 included under Rail spur, fully reduced as impairment in 2014 and 2015, were, as a result of Management's formal decision not to proceed with such licensing processes, definitively written off.

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

	12/31/2015				09/30/2016						
	Cost	Amortization	Impairment of assets	Net amount	Acquistion of CNA (Note 1)	Additions	Amortization	Write downs	Reversal of impairment of assets	Goodwill (Note 1)	Net amount
Expenditures related to exploration and valuation of mineral resources and prospecting rights	237,295		(237,295)			435			219,588		220,023
Expenditures related to licensing phase	6,404		(6,404)						6,404		6,404
Softwares	930	(268)	(662)						662		662
Management system (ERP)	551	(25)		526	62	38	(117)				509
Intangible assets acquired in business combination	546,868		(546,868)						490,765		490,765
Rail spur	13,151		(13,151)					(13,151)	13,151		
Goodwill from CNA's acquisition (Note 1)										62,375	62,375
	805,199	(293)	(804,380)	526	62	473	(117)	(13,151)	730,570	62,375	780,738

10. Income tax and social contribution

As of September 30, 2016, the Company's income tax and social contribution losses amounted to R$117 million (R$93 million as of December 31, 2015), in relation to which Management, taking into consideration the lack of expected future profitability, does not record deferred income tax and social contribution. 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.

The R$376 net value included under Deferred taxes in subsidiary CNA is comprised of:

- Temporal difference of income tax and social contribution, in the amount of R$1,843, between the tax basis and the deemed cost recorded pursuant to Brazilian Technical Interpretation -ICPC 10.
- Deferred income tax, in the amount of R$1,467, on tax losses carryforward.

The amount equal to R$468 related to Income Tax and Social Contribution included in the Income Statement, is comprised of a positive deferred installment in the amount of R$21 and current negative installment in the amount of R$489.

(In thousands of Reais, except when otherwise indicated)

11. Related parties loans

Loans between individuals and entities

The balances of transactions with related parties as of June 30, 2016 are listed below.

Lender	Borrower	09/30/2016	12/31/2015
Current assets Parent company			
MLog	Patrícia Tendrich Pires Coelho	**484**	
Current assets Consolidated			
Asgaard Navegação	Maverick Holding S.A.	**840**	556
Asgaard Navegação .	Maverick Navegação Ltda	**1,128**	974
Asgaard Navegação .	Patrícia Tendrich Pires Coelho	**473**	362
		2,925	1,892
Current liabilities Consolidated			
Maverick Holding S.A.	Asgaard Navigation	**232**	232
Patrícia Tendrich Pires Coelho	Asgaard Navigation	**1,293**	1,557
		1,525	1,789
Loans between group entities Eliminated in the Consolidated			
Asgaard Navegação	Asgaard Navigation	**37,696**	37,696
Asgaard Navegação	Asgaard Navigation	**1,398**	1,285
Asgaard Navegação	MLog	**2,355**	
MLog	Asgaard Navigation	**2**	
Asgaard Navegação S.A.	Cia de Navegação da Amazônia - CNA	**1,240**	

The loan of R$37,696 between subsidiaries Asgaard Navegação and Asgaard Navigation is denominated in Reais with maturity on 11/25/2016 and is not subject to interest. The other loan of R$1,398 between the subsidiaries above is denominated in Reais, has no maturity and is not subject to interest.

The loan of R$1.240 between Asgaard Navegação and CNA is adjusted by the CDI plus 5% per year and has no maturity.

The loan of R$484 between MLog and Patricia Tendrich Pires Coelho (Company's CEO) is adjusted by the CDI plus 5% per year and maturing on 12/30/2016.

The other loans involving subsidiary Asgaard Navegação, 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$840 is adjusted by the CDI plus 5% per year and maturing on 12/30/2016;

(ii) Maverick Navegação Ltda. (entity controlled by the Company's CEO) in the amount of R$1,128 is adjusted by CDI plus 5% per year and maturing on 12/30/2016.

(iii) Patrícia Tendrich Pires Coelho (Company's CEO) in the amount of R$473 is adjusted by CDI plus 5% per year and maturing on 09/30/2016.

(iv) MLog in the amount of R$2,355, is adjusted by CDI plus 5% per year and has no maturity.

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

The loans taken out by subsidiary Asgaard Navigation with Maverick Holding S.A., in the amount of R$232, with MLog in the amount of R$2 are denominated in Reais while the loan with Patrícia Tendrich Pires Coelho, in the amount equivalent to R$1,293, 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 nine month period of 2016, the compensation of these officers and board members was R$975 and R$501, respectively. The overall management compensation for the period from May 1, 2016 to April 30, 2017, up to R$6,500, was approved in the Annual General Meeting held on April 28, 2016.

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 September 30, 2016, a total of 22,420 (twenty-two thousand, for 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.

MLog S.A.

Notes to quarterly financial information
September 30, 2016
(In thousands of Reais, except when otherwise indicated)

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	4,250	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**
2013.2	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 09/30/2016				**22,420**				**22,659**

(In thousands of Reais, except when otherwise indicated)

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
1º	904	4,135	4,086	3,147			12,272
2º		1,193	1,131	620			2,944
3º		880	962	962	**40**		2,844
4º		92	96	95	**4**		287
5º		60	163	163	**105**		491
6º		33	19		**(52)**		
7º			749	1,124	**(147)**	(94)	1,632
8º			422	449	**(78)**		793
9º			263	270	**(168)**		365
10º			328	878	**(183)**	8	1,031
	904	6,393	8,219	7,708	**(479)**	(86)	22,659
Options expired [1]	35	906	679	1,029			
Recorded in income statement	939	7,299	8,898	8,737	(479)	[2] (86)	
Accumulated amount in equity	939	8,238	17,136	25,873	25,394	**25,308**	

[1] In accordance with accounting standards, the options expired due to failure to exercise the rights, previously recorded in income statement, 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 nine month period of 2016.

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

(In thousands of Reais, except when otherwise indicated)

12. Bank loans

At the end of the 2015, subsidiary Asgaard Navegação had credit lines, in the amount of R$20,500, with Banco Itaú being one line of R$3,500 and another in the amount of R$17,000.

Management liquidated the loan of R$ 17,000 on March 14, 2016. On 30/09/2016, the company still held the working capital credit line in the amount of R$ 3,500, at an effective cost of 4.72% per month.

On October 16, 2016, the company renegotiated the credit line with Banco Itaú. The amount of R$ 3,500 will be paid in 12 monthly installments, the first of which will mature on 31/10/2016 and, as a result of such renegotiation, the effective cost was reduced to 2.42% per month.

Debt composition is as follows:

	09/30/2016			**12/31/2015**		
	current			**current**		
	Interest	**Principal**	**Total**	**Interest**	**Principal**	**Total**
Banco Itaú				141	17,000	17,141
Banco Itaú	**50**	**3,500**	**3,550**	107	3,500	3,607
	50	**3,500**	**3,550**	248	20,500	20,748

13. Trade accounts payable

The consolidated balance of R$5,842 as of September 30, 2016 (R$3,008 as of December 31, 2015), largely related to operating costs of the vessels and to general and administrative services, has an average settlement period of 30 days and is not subject to financial charges.

On the date of this quarterly information, there was approximately R$1 million in arrears, settlement of which has been made in line with the influx of operating resources, with strict control of cash flow by Management.

14. Litigation

As of September 30, 2016, the Company, together with their subsidiaries Asgaard Navegação and CNA are involved in the legal proceedings listed below. Based on the understanding of the acting law firms, the chances of loss of the legal proceedings were classified as possible or remote according to the concept of evaluation adopted for judicial liabilities.

The main items are shown below:

Public Civil Action, filed on 10/28/2014 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 Pilar Hill 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 amending its legislation for the use and occupation of the land in order to conform to federal law requirements, with which the Project is compliant. With the amendment to legislation by the Municipality, the lawsuit would lose its purpose and be dismissed.

Notice of Tax Assessment issued on 06/20/2016 by the Environmental and Sustainable Development Secretariat of the Municipality of Morro do Pilar, imposing a warning penalty against the Company. On 07/19/2016, the Company filed an Administrative Defense alleging, in brief summary, the nullity of the notice of tax assessment due to the existence of a formalization defect and impossibility of characterizing the conducts described in the assessment as infractions. Management understands that even in the event of imposition of punishment, such fact shall not compromise the Pilar Hill Project.

Writ of Mandamus against the Environmental and Sustainable Development Secretariat of the Municipality and the Chairman of the Municipal Environmental Council ("CODEMA") of the Municipality of Morro do Pilar to, *in limine*, suspend the effects of the meetings of Morro do Pilar's CODEMA. The Company's request for the meetings to occur upon prior notice to the Company was granted. In light of such decision, the Municipality of Morro do Pilar filed a Bill of Review, whose suspensive effect was granted, suspending the proceeding until review of the appeal. Management understands that even if the defendant's appeal is accepted, such proceeding does not change the course of the Pilar Hill Project.

Public Civil Action by the State Attorney's Office and Injunction by the Federal Attorney's Office, filed on 11/05/14, alleging the existence of traditional communities in the area of the Pilar Hill 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 10/18/2013 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 Pilar Hill Project would not be at risk.

Writ of Prevention filed on 09/17/2014 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 10/23/2014 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 Pilar Hill 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 10/16/2014 and canceled on 10/28/2014. 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.

Writ of Mandamus filed on 02/25/2015 by subsidiary Asgaard Navegação 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 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.

The Company, its subsidiary Asgaard Navegação and bank BNP Paribas Brasil S.A. (BNP) on 24/11/2015 entered into an agreement for acknowledgement of debt and other covenants. The purpose of the acknowledgement of debt was to suspend, until 04/05/2016, the lawsuit filed by BNP against Asgaard Navegação. 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 Navegação 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 Transaction with Asgaard Navegação mentioned in Note 1. The Company, in the context of the aforementioned Transaction with Asgaard Navegação, paid a sum of R$3.704 in 2015, pursuant to the agreement executed with BNP, and an updated balance of R$4.219 remains, which, on the date of this quarterly financial information, remained outstanding. On 06/29/2016, BNP requested that the proceeding against the mentioned subsidiary be resumed.

The Company, throughout the third quarter of 2016, received one labor citation related to a lawsuit filed by a former employee who was dismissed due to the group's restructuring. Management accepts that such measures taken for restructuring of the Company in 2015, may give rise to new labor lawsuits during the statutory limitation period.

Subsidiary CNA is involved in four labor lawsuits that should be mentioned. In summary, the lawsuits were filed due to dismissals for cause, unhealthy activities, and failure to comply with ancillary obligations. The aggregate value of such claims is approximately R$ 600.

CNA is also involved in approximately 80 lawsuits related to various issues, such as civil, labor, environmental, tax and others. Any awards to be paid under such lawsuits, and under the labor claims, as well as the related attorneys' fees, shall be reimbursed by CNA's former controlling shareholders, as set forth in CNA's share purchase agreement executed with the Libra Group.

15. 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, for the Pilar Hill 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$24 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 Pilar Hill 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.

16. Provisions (Consolidated)

The short term amounts refer to: (i) second installment of right of way agreements for the pipeline, in the amount of R$1,642 (R$1,642 as of December 31, 2015), due upon notarial regularization by the owners of the affected properties, (ii) recovery of geological survey squares and accesses in the Pillar Hill project region, in the amount of R$157 (R$350 as of December 31, 2015), and (iii) undefined costs related to the Transaction with Asgaard mentioned in Note 1, in the amount of R$73 (R$1,031 as of December 31, 2015)

The long-term amount of R$1,645 refers mainly to civil and labor claims.

17. Transaction costs

Refer mainly to success fees due to financial advisors as a result of the Transaction with Asgaard mentioned in Note 1.

18. 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.

(In thousands of Reais, except when otherwise indicated)

19. Equity

Capital

As of September 30, 2016, the Company's subscribed share capital is represented by 3,052,500 common shares as detailed below:

Shareholders	Common shares	%
Maverick Holding S.A.	**1,758,620**	57.61
Korea Investment Corporation	**244,909**	8.02
Ontario Teachers' Pension Plan	**227,578**	7.46
EIG - Global Energy Partners	**188,969**	6.19
Fábrica Holding S.A.	**154,072**	5.05
Outros	**478,352**	15.67
	3,052,500	100.00

Pursuant to the amendment to the articles of incorporation, approved at the Special 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.

Profit (loss) per share

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

	Three month period	
	09/30/2016	**09/30/2015**
Profit attributable to the equity holders	**725,055**	5,548
Average weighted number of common shares	**3,052,500**	2,219,956
Profit per share – basic and diluted in Reais*	**237.53**	2.50

	Nine month period	
	09/30/2016	**09/30/2015**
Profit (loss) attributable to the equity holders	**702,099**	(3,526)
Average weighted number of common shares	**3,052,500**	2,219,956
Profit (loss) per share – basic and diluted in Reais*	**230.01**	(1.59)

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

(In thousands of Reais, except when otherwise indicated)

Cumulative translation adjustments

The cumulative translation adjustments result from the difference between exchange rates in the conversion of the financial statements of subsidiary Asgaard Navigation from Dollars to Reais, considering the following procedures:

(i) The assets and liabilities are converted using the closing rate on the date of the conversions, except for non-monetary items, which are converted based on the rate of the date of the transaction;

(ii) The balances of the changes in equity are converted based on the historic exchange rates of the respective transactions;

(iii) The items contained in the income statements are converted based on the average rate for the period.

20. Net operating income and cost of services

The revenues and corresponding costs refer to the charter agreement for vessel Asgaard Sophia, as mentioned in Note 1, which started on 03/30/2016, and to the operations of subsidiary CNA, after the date of acquisition thereof mentioned in Note 1.

	09/30/2016
Revenue	
Charter	12,294
Freight	6,642
Maritime support	6
Taxes on sales	
PIS and COFINS	(1,752)
Social security contribution	(413)
ISS	(29)
ICMS	(670)
Net revenue	**16,078**
Cost of services	
Payroll and related charges	(4,082)
Depreciation	(2,286)
Rentals	(275)
Materials	(2,532)
Insurances	(640)
Services	(553)
Other	(681)
	(11,049)
Gross profit	**5,029**

(In thousands of Reais, except when otherwise indicated)

21. Financial income (Consolidated)

	09/30/2016	09/30/2015
Earnings from financial investments	882	39,035
Earnings from AFRMM in escrow account	667	
Updated recoverable taxes	642	421
Interest on loans with related parties	629	
Others	237	5
	3,057	**39,461**

22. Financial expenses

	09/30/2016	09/30/2015
Interest on bank loans	**2,545**	
Interest on CNA's acqusition (Note 1)	**2,083**	
Exchange variation (Asgaard Navigation)	**7,696**	
Interest on arrears	**1,070**	20
	13,394	20

23. 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 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.

(In thousands of Reais, except when otherwise indicated)

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			
	09/30//2016		12/31/2015	
Financial assets (liabilities)	Carrying basis	Measurement	Carrying basis	Measurement
Cash and cash equivalente	**1,075**	**Cost to be amortized**	156	**Cost to be amortized**
Marketable securities			42,472	**Cost to be amortized**
Trade accounts payable	**5,842**	**Cost to be amortized**	3,008	**Cost to be amortized**
Bank Loans	**3,550**	**Cost to be amortized**	20,748	**Cost to be amortized**
Transactions with related parties	**1,525**	**Cost to be amortized**	1,789	**Cost to be amortized**
Transaction costs	**21,095**	**Cost to be amortized**	19,472	**Cost to be amortized**
Obligations in acquisition of investments	**102,738**	**Cost to be amortized**		

The Company’s assessment on financial instruments did not identify significant difference between measured value and fair value of its financial assets and liabilities.

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.

24. Information by segment

The Company operates in the mining, logistics, and oil and gas segments. As revenue generated in the business was primarily arising from the oil and gas segment, and all of the assets attributed to the other segments had been impaired, the Company had not been disclosing information by segment. Considering that the total assets related to the mining segment underwent significant changes in the amounts evidenced in the last annual accounting statement, pursuant to Notes 8 and 9, the Company notes that the value attributed to the mining segment refers exclusively to impairment reversal. The other assets and revenue from external clients are attributed to the oil and gas segment.

25. Insurance coverage

On July 4, 2016, the D&O insurance was renewed in the insured amount of up to R$50,000. The renewal was carried out with insurer Chubb Seguros, who submitted commercial conditions more favorable for the Company.

On August 11, 2016, subsidiary CNA was included in the policy, without any change in the insured amount.

Patrícia Tendrich Pires Coelho Chief Executive Officer	Paulo Marcos Vargas de Andrade Chief Financial Officer