



**MANABI S.A.**

Corporate Taxpayer's ID (CNPJ/MF): 13.444.994/0001-87

Company Registry (NIRE): 33.3.0029745-6

Publicly-held Corporation – CVM No. 02258-6

**Notice to the Market**

**ENVIRONMENTAL PERMIT FOR PILAR HILL PROJECT APPROVED BY COPAM**

**MANABI S.A.** (“Manabi” or the “Company”), a Brazilian mining company focused on the development of a high-grade iron ore project and integrated logistics, informs to its shareholders and to the market in general that the Minas Gerais State Council for Environmental Policy (*Conselho Estadual de Política Ambiental* or “COPAM”) has approved the issuance of the preliminary environmental permit (*licença prévia* or “LP”) for the iron ore mine, processing plant and related facilities of its Pilar Hill project in and around the municipality of Morro do Pilar, state of Minas Gerais.

The LP attests the environmental and social feasibility of a project following a comprehensive and in-depth review process undertaken by the environmental authority that includes public hearing with local communities and other stakeholders, consultation with several authorities at the federal, state and municipal levels and other entities. The LP of the Pilar Hill project which issuance is expected in the short term, will establish the conditions precedent that the company must meet to apply for the construction permit (*licença de instalação* or “LI”) and thus be able to start construction.

The Pilar Hill project has a nominal production capacity of up to 25.5 million metric tons per annum (Mtpa) of iron ore based on 1.33 billion tons of measured and indicated resources and 312 million tons of inferred resources certified pursuant to CIM Guideline (National Instrument 43-101). The Company expects to consistently produce pellet feed with an average iron content of 68.0% to 68.5% and low impurities at a low processing cost.

“This is a major step towards the development of one of the highest grade iron ore projects in the world”, stated the Company’s Chief Executive Officer. “The review process that led to this significant milestone has also revealed the strong support of the population of Morro do Pilar in favor of the project, which underscores the responsible, cooperative and transparent attitude adopted by the Company in its relation with local communities and other stakeholders”.

Rio de Janeiro, November 06, 2014.

Antonio Borges Leal Castello Branco  
Chief Financial Officer and Investor Relations Officer