

# HORIZONTE

MINERALS



**Exploration and development of precious and base metals in Brazil**



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**“Horizonte is a leading nickel and gold E&D company focussed on Brazil, well funded and backed by strategic mining major partners. Its flagship Araguaia nickel project is a world leading asset in terms of size and grade and has a clear development path to generate significant value uplift for shareholders in 2012.”**

**Asset**  
Araguaia Nickel Project - 100Mt Ni at 1.3%



**Location**  
Carajas mining region – Northern Brazil



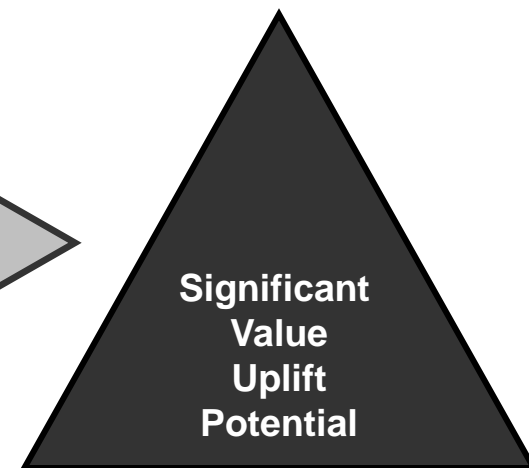
**Support from majors**  
Teck Resources and AngloGold Ashanti



**Funded**  
£5.8 Cash plus potential royalty



**Management**  
Over 50 years experience in S. America



- AIM and TSX quoted company focused on the discovery and development of nickel and gold projects in Brazil
- 100% ownership of the advanced Araguaia Nickel Project – resource of 100.2Mt at 1.3% nickel
- Largest on market nickel project located in the world class Carajas nickel producing district in northern Brazil
- Clear development path – significant resource upside potential at Araguaia through consolidation opportunities and further drilling
- Gold portfolio funded by AngloGold Ashanti (US\$9.8M – Strategic JV to discover future gold projects and explore Falcao gold project northern Brazil)
- Cornerstone investors – Teck Resources 44%, Anglo Pacific Group 11.30% and Quantum Holdings 10.7%
- Well funded – £5.8million plus potential royalty payment
- Established management team with proven track record recognised by major mining companies

<b>David J. Hall, Msc, EuroGeol</b> <i>Non Executive Chairman</i>	30 years in exploration & development on projects and mines in over 50 countries. Previous positions include Chief Geologist for Minorco SA; consultant geologist for Minorco South America; and Exploration Manager for AngloGold South America. Involved in discoveries in South America & Europe. Corporate roles in number of public and private companies.
<b>Jeremy J. Martin, Msc, ASCM</b> <i>Chief Executive Officer</i>	Extensive South American exploration experience for Inca Pacific Resources followed by Central America and Europe. Involved in the formation of various AIM listed companies and has completed a number of high value mineral project transactions.
<b>Owen Bavington</b> <i>Non Executive Director</i>	Formerly Group Head of Exploration and Geology of Anglo American plc. A graduate of Queensland University, he has over 40 years industry experience, including 11 years at Western Mining Corporation, and 18 years at Anglo American. He has lived and worked in Brazil, where he was involved in the Barro Alto and Morro Sem Bone nickel laterite projects.
<b>Alexander N. Christopher</b> <i>Non Executive Director &amp; Teck representative</i>	27 years' experience in mineral exploration and mining. His current position is General Manager New Ventures within Teck's corporate development group. For the last 10 years he has focussed on the junior mining sector, partnerships, property transactions and Teck's junior mining equity investments.
<b>William Fisher</b> <i>Non Executive Director</i>	Graduated as a geologist in 1979 and has extensive industry experience in both exploration and mining positions worldwide working for Karmin Exploration, Boliden AB, GlobeStar Mining Corp. and Aurelian Resources and currently PC Gold, RX exploration, and Treasury Metals.
<b>Allan M. Walker, MA</b> <i>Non Executive Director</i>	26 years of energy & natural resource banking experience, focussed in Latin America. Currently running a private equity Clean Energy fund for the Cargill group and previously ran the energy and project finance groups for Standard Bank in London and CSFB Garantia in Sao Paulo.
<b>F. Roger Billington P. Geo</b> <i>Technical Director Nickel</i>	Ex head of Falconbridge nickel laterite exploration worldwide. Project development including senior roles in the discovery and evaluation of the Touba-Biankouma nickel laterite deposits (Côte d'Ivoire), the Koniambo nickel laterite deposit (New Caledonia), the Sechol nickel laterite deposit (Guatemala) and the GlobeStar nickel laterite deposit (Dominican Republic).
<b>Paul Nagerl</b> <i>General Exploration Manager in Brazil</i>	24 years' experience in the mineral resource industry including international experience. He has strong technical expertise along with extensive Brazilian mining experience including the establishment of Falconbridge Brazil Ltda in South America. Furthermore he was involved in managing exploration leading to the discovery of the Serra de Tapas nickel laterite deposit and the development and management of nickel laterite deposits in Guatemala that were sold to BHP Billiton.

## Nickel Assets

### Araguaia Nickel Project

Consolidation of major nickel province  
with Teck Resources in 2010

Opportunity to acquire further land in  
the Araguaia Project area to further  
increase resource delineation potential



## Gold Assets

### Santana Exploration alliance

JV Anglo Gold 2009  
(US\$5.3m expenditure)

### Falcao JV

Anglo Gold 2010  
(US\$4.5m expenditure)

### Tangara Gold Project

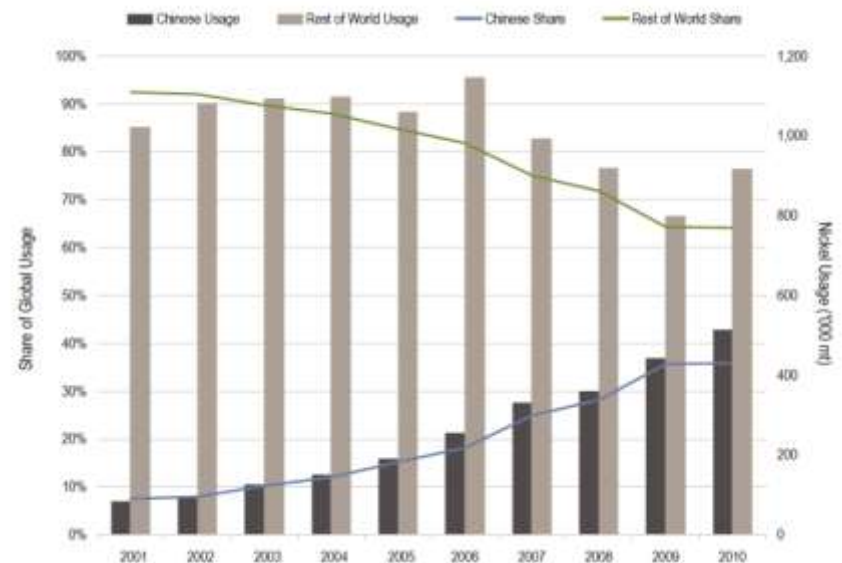
JV Troy Resources – Dec 2007  
(US\$2.8m expenditure)

**“Multi commodity portfolio with strong strategic partner backing”**

- Brazilian mineral production totals US\$35 billion
- World leader in seaborne iron ore trade and third largest global bauxite producer
- Significant producer of manganese, nickel, copper, gold and phosphate
- Excellent record of recent nickel, iron ore and copper discoveries - many areas of the country are largely under explored – upside potential
- Emerging economy which is pro foreign direct investment
- Established infrastructure
- Highly supportive mining code



- Forecast demand for nickel is robust – annual growth requires 92,000 tonnes of new nickel capacity to be added every year
- Chinese demand annual forecast increase targeted at 12% (2009 – 2014)
- Sulphides contribute an estimated  $\frac{2}{3}$  of nickel production and only  $\frac{1}{3}$  of global resources
- Sulphide discoveries in significant decline – laterite required to fill supply deficit
- Laterite production currently accounts for 42% of supply due to increase to 50% in the next 18 months
- Delayed start up production combined with ETF securities' nickel ETF and planned release of JP Morgan and Black Rock Asset ETFs has led Societe Generale to forecast nickel prices averaging above \$12/lb



**China's Nickel Usage Relative to the Rest of World, 2001-10**



Project	Company	Tonnes	Grade	Stage	Type
Jacare	Anglo Am.	290Mt	1.30%	Feas.	FeNi
Vermelho	Vale	124Mt	1.20%	Feas.	HPAL
S. Do Tapa	Xstrata	60Mt	1.63%	Pfeas	FeNi
Barro Alto	Anglo Am.	123Mt	1.50%	Prod.	FeNi
Onca Puma	Vale	83Mt	1.70%	Prod.	FeNi
Niquelandia	Votorantim	60Mt	1.40%	Prod.	FeNi

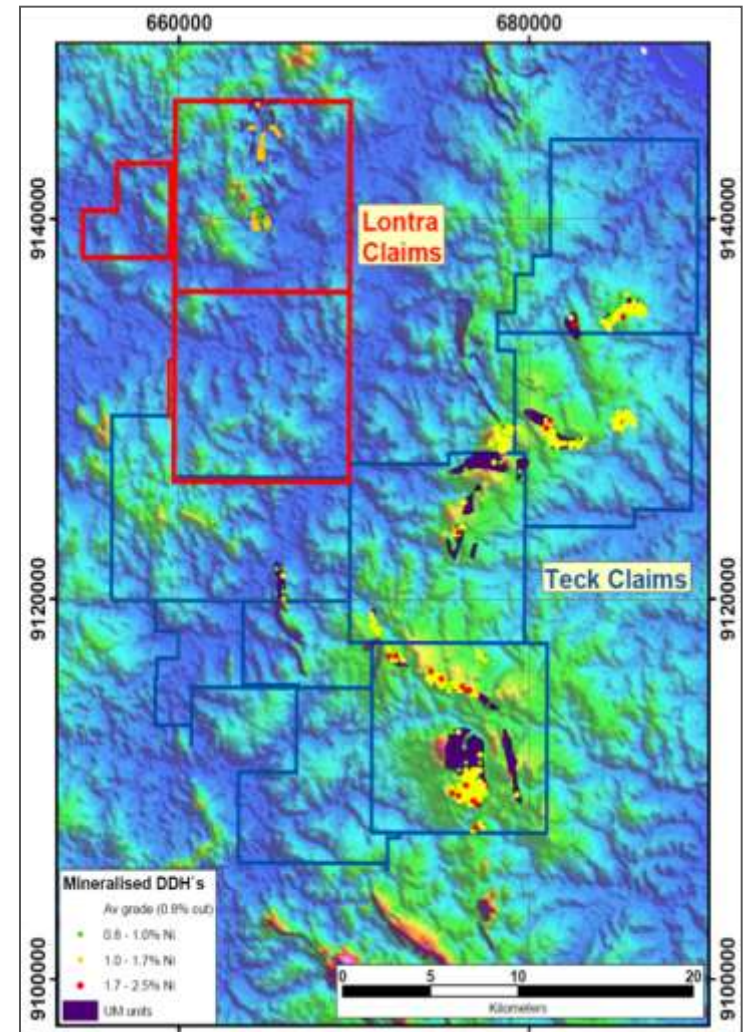
Araguaia	Horizonte	100.2Mt	1.3%	PEA	
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**“One of Brazil’s largest new nickel projects”**



**Newly constructed Ferrovia Norte – Sul, west of Palmas, 2011**

- Located in the highly prospective Carajas mining province in northern Brazil
- 18 exploration licences covering over 1,000 sq km of prospective terrain
- Resource of 100.2Mt at 1.3% – significant upside potential through further exploration and infill drilling
- Vale’s Onca Puma and the advanced Serra de Tapa project owned by Xstrata in close proximity
- Excellent infrastructure with good roads, water and power supply
- Land consolidation opportunities in surrounding Araguaia area

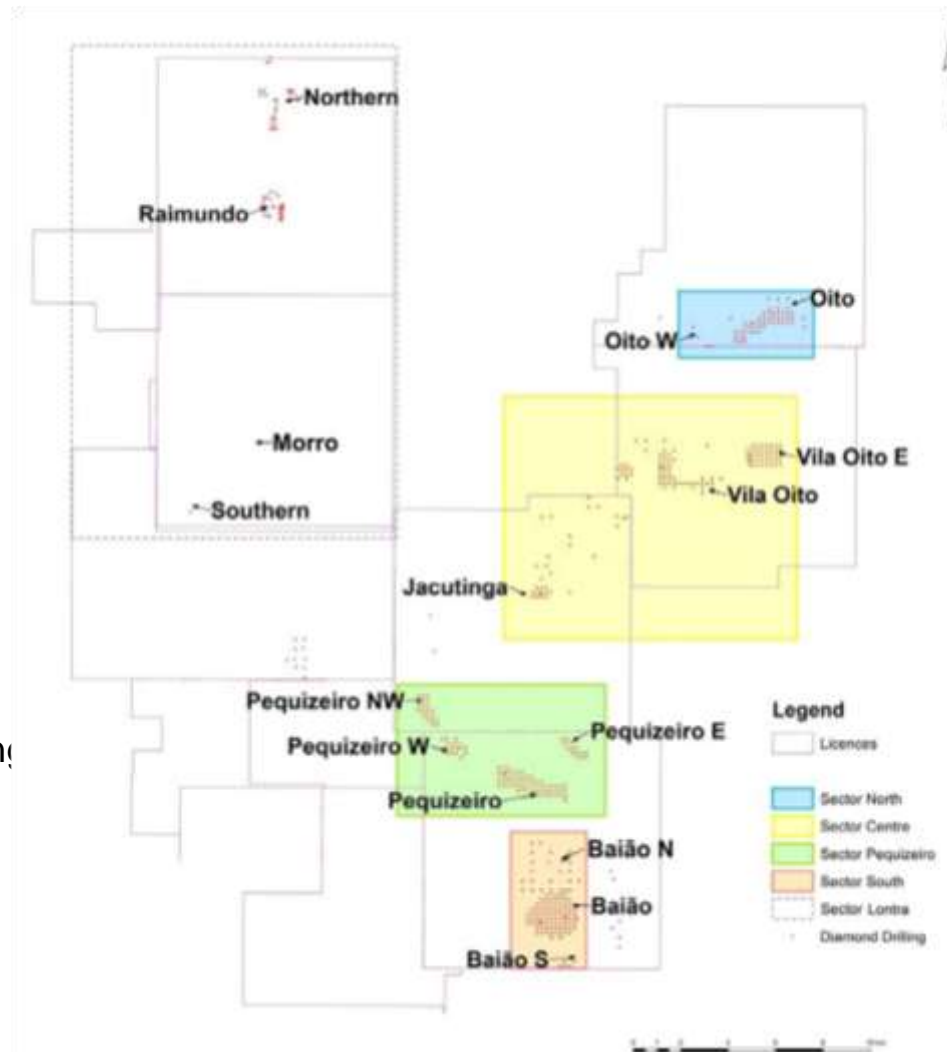


- **18 Targets Identified**

- South Sector
- Pequizeiro Sector
- Centre Sector
- North Sector
- Lontra Sector
- Floresta Sector

- **Significant exploration potential:**

- Multiple soil anomalies, auger drill holes with no follow up diamond drilling
- Active regional exploration work underway identifying and evaluating additional target areas



## Best intersections to date include:

### Prior to October 2010

- Teck Drilling: 489 holes totalling 11,400 meters
- Lontra (HZM): 63 holes totalling 1,300 meters

### Since October 2010

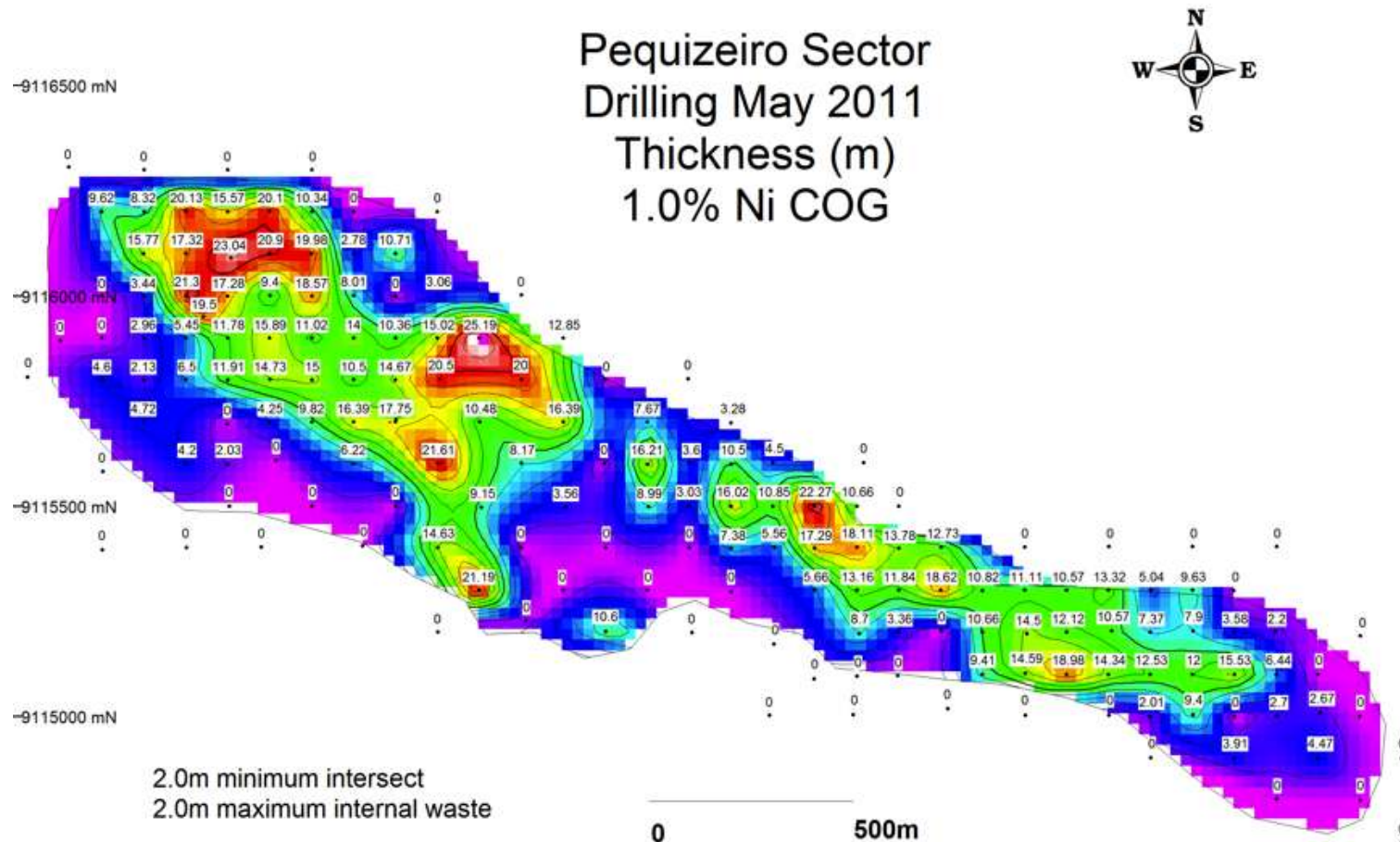
- 539 holes totalling 13,204 meters including:
- Pequizeiro West: 17 holes
- Pequizeiro: 154 holes
- Baião: 241 holes
- Lontra: 85 holes
- Vila Oito East: 42 holes

Borehole	Width (m)	Ni %
PDA-DD-0586	18.6	2.42
PDA-DD-0599	17.3	2.25
PDA-DD-0528	10.4	2.08
PDA-DD-0603	15.6	1.97
PDA-DD-0587	13.8	1.96
PDA-DD-0529	14.3	1.93
PDA-DD-0621	19.6	1.84
PDA-DD-0516	23.0	1.78
PDA-DD-0547	22.3	1.76



**Diamond drilling on the Pequizeiro target – Sept 2011**

- map to illustrate continuity of mineralisation at the Pequizeiro Target





## Horizonte Inferred and Indicated Mineral Resource

100.2Mt at 1.3% nickel and 0.06% cobalt

Category	Material type	Tonnage (Mt)	Nickel (Kt)	Ni %	Co %	Fe %	MgO %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	Cr <sub>2</sub> O <sub>3</sub> %
Indicated	Limonite	7.8	96	1.22	0.118	35.54	4.11	19.04	52.17	0.49
	Transition	13.3	205	1.54	0.062	18.83	12.39	40.72	36.96	0.66
	Saprolite	18.1	246	1.36	0.035	12.19	22.24	42.18	42.02	0.63
	<b>Sub-Total</b>	<b>39.3</b>	<b>548</b>	<b>1.39</b>	<b>0.061</b>	<b>19.10</b>	<b>15.28</b>	<b>37.07</b>	<b>42.33</b>	<b>0.61</b>

Inferred	Limonite	13.5	152	1.23	0.130	35.67	3.41	20.7	9.5	2.55
	Transition	21.3	277	1.47	0.060	18.75	13.34	41.04	5.18	1.32
	Saprolite	26.2	309	1.28	0.040	12.09	23.42	42.24	3.82	0.85
	<b>Sub-total</b>	<b>60.9</b>	<b>738</b>	<b>1.21</b>	<b>0.069</b>	<b>19.55</b>	<b>15.36</b>	<b>37.20</b>	<b>5.46</b>	<b>0.55</b>

# Bulk Sample Collection – Sept 2011



Large diameter auger drill (1m) collecting a 150 tonne bulk sample for metallurgical test work

## COMPLETED MILESTONES

<b>Aug 2010</b>	Completed 100% acquisition of Araguaia from Teck Resources via RTO
<b>Oct 2010</b>	8,000m resource drill programme commenced
<b>Jan 2011</b>	Sign royalty agreement with Anglo Pacific Group
<b>Feb 2011</b>	Raised \$12.6M
<b>Mar 2011</b>	Maiden inferred 43-101 resource 76Mt grading 1.35% Ni; drill programme increases to 20,000m
<b>Jun 2011</b>	TSX Listing
<b>Jul 2011</b>	Acquisition of Vila Oito and Floresta Projects adjacent to Araguaia from TSX Lara Resources
<b>Sept 2011</b>	Completed 100 x 100m drilling on main Araguaia target
<b>Oct 2011</b>	Completed collection of 130 tonne bulk sample, start pyro met test and Env Base line.
<b>Jan 2012</b>	Indicated and Inferred 43-101 resource 100.2Mt grading 1.3% Ni

## MILESTONES TO BE DELIVERED AT ARAGUAIA

<b>Q1 2012</b>	<p>Complete initial metallurgical test work to define ore characteristics:</p> <ul style="list-style-type: none"> <li>• Pyrometallurgical work including Thermal Characterisation and Batch Smelting tests</li> <li>• Hydrometallurgical work - Bottle Roll Leaching and Atmospheric Tank Leach tests</li> </ul>
<b>Q1 2012</b>	<p>Complete Preliminary Economic Assessment (Wardell-Armstrong UK) to prove economic viability of Araguaia</p>
<b>Q2 2012</b>	<p>Commence phase 2 of hydrometallurgical work including Agglomeration and Percolation tests leading to Column Leach tests (Wardell-Armstrong UK)</p>
<b>Q4 2012</b>	<p>Complete Environmental Baseline Study Complete prefeasibility study</p>

**“Multiple value triggers through 2012”**

Company	Country	NAV \$/lb	Tonnes ('000)	Grade % Ni
Anfield Nickel Corp. (TSXV:ANF)	Guatemala	0.07	97,300	1.37
ENK plc (AIM: ENK)	Philippines	0.02	95,478	1.15
African Eagle Resources plc (AIM:AFE)	Tanzania	0.02	98,600	0.92
Mindoro Resources (TSXV:MIO)	Philippines	0.04	30,710	1.09
<b>Average \$ / lb</b>		<b>0.04</b>		
Horizonte Minerals plc - target resource	Brazil	0.02	100.2 Mt	1.3

**“Is Horizonte significantly undervalued?”**

# Acquisition Comparables

Deal structure	Resources at time of transaction	Price paid \$/lb
<b>Sherrit acquisition of 40% of Ambatovy from Dynatec for \$1.6B</b>	125Mt at 1.04% Ni (2007)	<b>\$1.67</b>
<b>Vale acquisition of Canico Resources Onca Puma Project</b>	82.7Mt at 1.73% Ni (2005)	<b>\$0.23</b>
<b>HudBay acquisition of Skye Resources for \$476M</b>	108.8Mt at 1.379% Ni (2008)	<b>\$0.14</b>
<b>Skye Resources acquires Fenix Nickel for 70% issue 25% equity, raise \$20M and complete Feasibility Study and \$5M cash</b>	31Mt at 1.8% Ni (2004)	<b>\$0.06</b>

**“Current Horizonte in-situ valuation 0.02 \$/lb”**

## **AngloGold Santana Strategic JV**

- US\$5.3 million three year Strategic Alliance signed with AngloGold who are utilising Horizonte's technical and operational experience in Brazil
- All new projects defined will be owned 49% by Horizonte and 51% by AngloGold – with option to take projects to pre-feasibility for additional equity position
- Any gold projects below the minimum size threshold (>2 Moz) will revert back to Horizonte 100%

## **AngloGold Falcao JV**

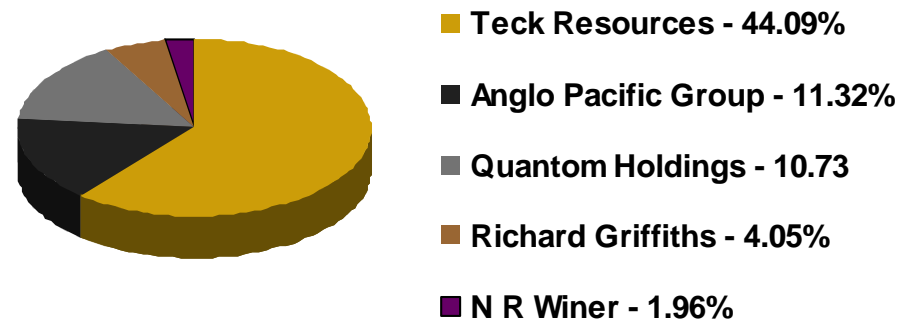
- US\$4.5 million to earn to 51%
- Anglo have option to earn to 70% by completion of pre-feasibility
- Falcao is a significant gold anomaly – drilling by BHP
- 3,000m diamond drill programme completed – initial results positive, best intersection 1.67m grading 27.70 g/t Au

## **Troy Resources**

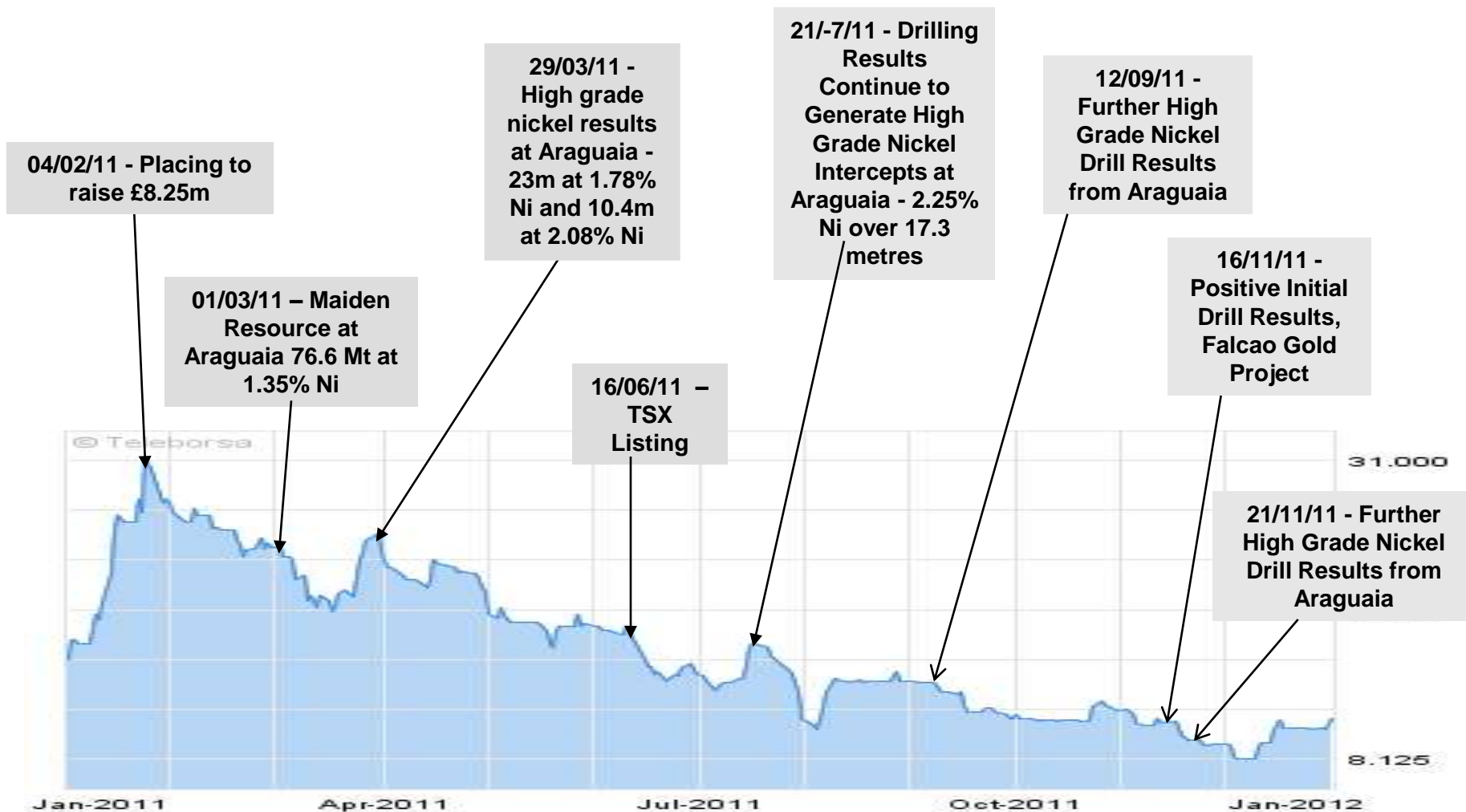
- 300 sq km exploration block covering part of Greenstone Belt with historic gold production in world-class Carajas Mineral Province
- US\$2.8 million exploration investment
- US\$2 million cash on exercise plus US\$30/oz upon production

JANUARY 2012	
Cash as of Jan 2012	£5.4m
Share Price	12p (09.01.12)
52 Week Trading Range	8p – 31.50p
Market Cap	£30.91m
Shares in Issue	279.56m

## Major Shareholders



# Share Price and Milestones



- World class Araguaia nickel project in prime nickel district - resource of 100.2Mt at 1.3% (project in upper quartile of global peer group)
- High grade core >1.6% Ni – vital for positive economics of early mine life
- Multiple development value triggers at Araguaia in 2012 to accrue value uplift
- Full support of major mining partners (Teck Resources and AngloGold) – potential downstream funding with technical support
- Second year of funding secured with AngloGold to define economic potential of Falaco gold project
- Highly undervalued compared to other nickel investment opportunities on the market

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