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Horizonte Minerals plc / Index: AIM / Epic: HZM / Sector: Mining  
17 August 2010

**Horizonte Minerals plc ('Horizonte' or 'the Company')**  
**First Day of Dealings of the Enlarged Company**

Horizonte Minerals plc, the AIM quoted exploration and development company focussed on Brazil, today announces the commencement of dealings in its ordinary shares on the AIM market of the London Stock Exchange. The Admission of Horizonte follows the general meeting of the Company on 12 August 2010 where shareholders approved, *inter alia*, the acquisition of Teck Cominco Brasil S.A. ('Teck Brazil'), a wholly owned subsidiary of Teck Resources Limited ('Teck'), which owns 100 per cent. of the advanced Araguaia nickel project in the Carajás mineral district of northern Brazil.

**Transaction Highlights**

- Acquisition of Teck Brazil, a wholly owned subsidiary of Teck, which owns 100 per cent. of the advanced Araguaia nickel project in the Carajás mineral district of northern Brazil
- The Board believe that the combination of Teck's Araguaia project with Horizonte's Lontra project has the potential for a 100 million tonne resource with grades comparable to other world class projects in Brazil

- Gross proceeds of the placing of £5.13 million, raised at a price of 10 pence per ordinary share ('the Placing Price'), to be used to fast-track the development of the combined nickel project
- Acquisition of the remaining 50 per cent. interest in the Lontra project not currently held by the Horizonte group
- Memorandum of understanding with Anglo Pacific Group plc to grant an option over a 1.5 per cent. net smelter royalty subject to the payment to the Company of US\$500,000 on signing of a definitive agreement and a further US\$12.5 million upon completion of a positive Pre-Feasibility study

Jeremy Martin, CEO of Horizonte, said:

“We are delighted that the acquisition has now been completed and that the enlarged group has commenced trading on AIM.

“The completion of this deal is a major milestone for the Company, and marks the transformation of Horizonte into a leading exploration and development company in Brazil. The acquisition consolidates the Araguaia and Lontra nickel projects, creating the potential for a plus 100 million tonne resource with grades comparable to other world-class projects in northern Brazil, in an emerging new nickel district.

“Teck, which through the deal has become a significant shareholder of the Company, will support the fast-tracked development of the combined nickel projects with the aim of delivering a JORC compliant – 43-101 nickel resource by first quarter 2011.

“We are particularly pleased to welcome Alex Christopher, General Manager of New Ventures at Teck to the board. We believe his experience will be invaluable to Horizonte.

“The enlarged Horizonte now has two core business areas, nickel and gold which are both supported by major mining companies. We have a US\$5.3 million exploration alliance with AngloGold Ashanti to generate and develop new gold targets in Brazil, and the Araguaia nickel project which we will develop with our principal shareholder Teck. The fundraising of £5.13 million, conducted in conjunction with the transactions, will ensure that we can deliver the project milestones as we move towards feasibility at Araguaia.

“I am confident that with these foundations in place, Horizonte will experience solid growth into 2011.”

## **Transaction summary**

Horizonte has completed the acquisition of the whole of the issued share capital of Teck Brazil ('the Acquisition'). The acquisition agreement, which incorporates the terms of the Acquisition, was signed on 26 July 2010. The Company has also raised approximately £5.13 million (before expenses) through a conditional placing of approximately 51 million placing shares at 10 pence per share.

The consideration for the Acquisition has been satisfied by the issue of 123,280,240 ordinary shares to Teck, which represents 50 per cent. of the enlarged issued share capital of the Company.

The Company has completed an agreement to acquire the 50 per cent. interest in the Lontra project not previously held by the Horizonte group by virtue of the acquisition from Quantum Holdings Limited ('Quantum') of 50 per cent. of the capital of Lontra Empreendimentos e Participações Ltda (a newly incorporated Brazilian company into which the Lontra mineral concessions were transferred pursuant to a pre-sale reorganisation). In consideration, Horizonte has issued to Quantum 10,000,000 ordinary shares.

## **Summary of the Araguaia Nickel Project**

The combined Araguaia and Lontra projects comprise of 11 licences and licence applications across 73,000 hectares with eight significant mineralised zones. The directors believe this will enable Horizonte to work towards delineating a resource in excess of 100Mt of nickel laterite with economic grades in a region with established infrastructure.

Araguaia is an advanced exploration stage nickel project previously owned and explored by Teck through, Teck Brazil. It is located directly to the south east of Lontra. Prior to the Acquisition, Teck had completed 10,314m of drilling in 492 drill holes at Araguaia resulting in the grassroots discovery of a significant zone of mineralisation.

The combined project area lies within the Araguaia mobile belt, approximately 200km south east of the Carajás mineral province and 80km to the south of Xstrata's Serra da Tapa deposit. The area is serviced by good infrastructure with access by tar sealed and all weather dirt roads.

## **Related Party Transaction**

Horizonte has entered into a non-binding memorandum of understanding with Anglo Pacific Group plc ('Anglo Pacific') in respect of an offer to sell to Anglo Pacific for

US\$500,000 an option for Anglo Pacific to acquire a net smelter royalty ('NSR') on production at Araguaia exercisable by Anglo Pacific on the completion of a positive, industry standard pre-feasibility study on Araguaia with a maturity date of six years from the date of the proposed agreement. The exercise period will be the earlier of 120 days from the receipt of the positive pre-feasibility study or the maturity date.

Upon exercise of the option, Anglo Pacific shall pay to Horizonte a further US\$12.5 million and shall receive a NSR at the rate of 1.5 per cent. of revenue on production at Araguaia up to 30,000 tonnes per annum, reduced by 0.02 per cent. for every 1,000 tonnes per annum above this rate. Above 50,000 tonnes per annum that rate will be 1.1 per cent. and is fixed at this level.

The outline terms of the option have been agreed in a memorandum of understanding, which is not legally binding, but it is intended that they will be finalised shortly in a definitive binding royalty agreement.

In addition, Anglo Pacific participated in the Company's placing, subscribing for 22,500,000 shares in cash at the Placing Price. As Anglo Pacific is a substantial shareholder in Horizonte, the royalty agreement and placing participation constitute related party transactions under the AIM rules for Companies. The directors of Horizonte, having consulted with the Company's nominated adviser, Westhouse Securities Limited, have considered the terms of the proposed and consummated transactions with Anglo Pacific and consider them fair and reasonable insofar as shareholders are concerned.

### **Shares in issue**

On Admission the enlarged number of Horizonte shares in issue is 246,560,480.

Copies of the Company's readmission document are available from its website.

**\*\* ENDS \*\***

For further information visit [www.horizonteminerals.com](http://www.horizonteminerals.com) or contact:

Jeremy Martin	Horizonte Minerals plc	Tel: 020 7016 9132
David Hall	Horizonte Minerals plc	Tel: 020 7016 9132
Richard Baty	Westhouse Securities Limited	Tel: 020 7601 6100
Martin Davison	Westhouse Securities Limited	Tel: 020 7601 6100
Hugo de Salis	St Brides Media & Finance Ltd	Tel: 020 7236 1177
Felicity Edwards	St Brides Media & Finance Ltd	Tel: 020 7236 1177

**Notes:**

Horizonte Minerals plc is an AIM quoted exploration and development company with a portfolio of nickel and gold projects in producing mineral districts in Brazil. The Company is focused on creating value by generating and rapidly advancing exploration projects in tandem with joint ventures with major mining companies, providing mid-term cash flow which is then used to develop the business and pipeline projects.

Horizonte now has two committed major mining partners: Teck Resources Limited ('Teck'), a strategic 50 per cent. shareholder in the Company and AngloGold Ashanti Limited, with a US\$5.3 million exploration alliance to generate and develop new gold targets in Brazil.

Horizonte owns 100 per cent. of the advanced Araguaia nickel project and the adjacent Lontra nickel project both in the Carajás mineral district of northern Brazil, which combined have the potential to define a plus 100 million tonne resource with grades comparable to other world-class projects in northern Brazil. It is Horizonte's intention to fast-track development and deliver a JORC compliant – 43-101 nickel resource by first quarter 2011.

Additionally, Horizonte signed a US\$2.8 million option agreement to advance the Tangara gold project, situated in the Araguaia mobile belt in the Carajas Mineral Province of northern Brazil, with Troy Resources in December 2007. The project is currently being advanced towards a resource definition.

This announcement does not constitute an offer to sell or invitation to purchase any securities in any jurisdiction, nor shall there be any sale, issue or transfer of the securities referred to in this announcement in any jurisdiction, in contravention of applicable law. This announcement does not constitute a prospectus or a prospectus equivalent document.

The release, publication or distribution of this announcement in certain jurisdictions may be restricted by law.

The new shares in the Company issued in connection with the described transactions have not been and will not be registered under the US Securities Act of 1933 or under the securities laws of any state, district or other jurisdiction of the United States, the Republic of South Africa, Australia, Canada or Japan.

*Forward looking statements*

This announcement, including information included or incorporated by reference in this announcement, may contain "forward looking statements" concerning the Company and

Teck Cominco Brasil S.A. Generally, the words "will", "may", "should", "continue", "believes", "expects", "intends", "anticipates" or similar expressions identify forward looking statements. The forward looking statements involve risks and uncertainties that could cause actual results to differ materially from those suggested by them. Many of these risks and uncertainties relate to factors that are beyond the companies' abilities to control or estimate precisely, such as future market conditions and the behaviours of other market participants, and therefore undue reliance should not be placed on such statements which speak only as at the date of this announcement. The Company assumes no obligation and does not intend to update these forward looking statements, except as required pursuant to applicable law.

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