

**Condensed Consolidated Interim Financial Statements**  
for the nine months ended 30 September 2012

**Condensed consolidated statement of comprehensive income**

	Notes	9 months ended Sep 30		3 months ended Sep 30	
		2012 Unaudited	2011	2012 Unaudited	2011 Unaudited
		£		£	£
<b>Continuing operations</b>					
Revenue		-	-	-	-
Cost of sales		-	-	-	-
<b>Gross profit</b>			-		-
Administrative expenses		(1,280,067)	(1,222,883)	(370,084)	(420,605)
Charge for Share Options Granted		(349,133)	(145,209)	(116,378)	(52,091)
Toronto Stock Exchange listing fees and associated costs		(88,084)	(234,863)	(25,102)	(44,510)
(Loss)/gain on foreign exchange		(181,097)	133	(95,900)	(82,497)
Other operating income	5	92,402	407,369	18,467	47,607
<b>Loss from operations</b>		(1,805,979)	(1,195,453)	(588,997)	(552,096)
Gain on sale of fixed asset		-	10,876	-	10,876
Finance income		59,116	95,199	15,725	37,179
Finance costs		(125,894)	(136,944)	(41,965)	(45,648)
<b>(Loss)/Profit before taxation</b>		<b>(1,872,757)</b>	<b>(1,226,322)</b>	<b>(615,237)</b>	<b>(549,689)</b>
Taxation		-	-	-	-
<b>(Loss)/Profit for the period from continuing operations</b>		<b>(1,872,757)</b>	<b>(1,226,322)</b>	<b>(615,237)</b>	<b>(549,689)</b>
<b>Other comprehensive income</b>					
Exchange differences on translating foreign operations		(2,730,901)	(2,085,951)	(746,386)	(2,743,512)
<b>Total comprehensive income for the period attributable to equity holders of the Company</b>		<b>(4,603,658)</b>	<b>(3,312,273)</b>	<b>(1,361,623)</b>	<b>(3,293,201)</b>
<b>Earnings per share from continuing operations attributable to the equity holders of the Company</b>					
Basic and diluted (pence per share)	9	<b>(0.593)</b>	<b>(0.451)</b>	<b>(0.171)</b>	<b>(0.197)</b>

## Condensed consolidated statement of financial position

		30 September 2012 Unaudited	31 December 2011 Audited
	Notes	£	£
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	6	20,405,263	19,355,457
Property, plant & equipment		167,369	139,264
Deferred taxation		6,409,305	7,243,524
		26,981,937	26,738,245
<b>Current assets</b>			
Trade and other receivables		43,797	172,906
Cash and cash equivalents		7,572,289	5,856,949
		7,616,086	6,029,855
<b>Total assets</b>		<b>34,598,023</b>	<b>32,768,100</b>
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the parent</b>			
Issued capital	7	3,600,462	2,795,600
Share premium	7	24,384,527	18,772,797
Other reserves		5,802,383	8,533,284
Accumulated losses		(5,223,639)	(3,700,015)
<b>Total equity</b>		28,563,733	26,401,666
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Contingent consideration		2,841,259	2,715,365
Deferred taxation		2,785,616	3,148,185
		5,626,875	5,863,550
<b>Current liabilities</b>			
Trade and other payables		407,415	502,884
		407,415	502,884
<b>Total liabilities</b>		6,034,291	6,366,434
<b>Total equity and liabilities</b>		<b>34,598,023</b>	<b>32,768,100</b>

## Condensed statement of changes in shareholders' equity

	Attributable to the owners of the parent				
	Share capital £	Share premium £	Accumulated losses £	Other reserves £	Total £
<b>As at 1 January 2011</b>	<b>2,465,605</b>	<b>11,283,355</b>	<b>(2,184,252)</b>	<b>10,933,292</b>	<b>22,498,000</b>
<b>Comprehensive income</b>					
Loss for the period	-	-	(1,226,322)	-	(1,226,322)
<b>Other comprehensive income</b>					
Currency translation differences	-	-	-	(2,085,951)	(2,085,951)
<b>Total comprehensive income</b>	-	-	(1,226,322)	(2,085,951)	(3,312,273)
<b>Transactions with owners</b>					
Issue of ordinary shares	329,995	7,919,880	-	-	8,249,875
Issue costs	-	(430,438)	-	-	(430,438)
Share based payments	-	-	145,209	-	145,209
<b>Total transactions with owners</b>	329,995	7,489,442	145,209	-	7,964,646
<b>As at 30 September 2011</b>	<b>2,795,600</b>	<b>18,772,797</b>	<b>(3,265,365)</b>	<b>8,847,341</b>	<b>27,150,373</b>
<b>As at 1 January 2012</b>	<b>2,795,600</b>	<b>18,772,797</b>	<b>(3,700,015)</b>	<b>8,533,284</b>	<b>26,401,666</b>
<b>Comprehensive income</b>					
Loss for the period	-	-	(1,872,757)	-	(1,872,757)
<b>Other comprehensive income</b>					
Currency translation differences	-	-	-	(2,730,901)	(2,730,901)
<b>Total comprehensive income</b>	-	-	(1,872,757)	(2,730,901)	(4,603,658)
<b>Transactions with owners</b>					

Issue of ordinary shares	804,862	5,710,387	-	-	6,515,249
Issue costs		(98,657)	-	-	(98,657)
Share based payments			349,133	-	349,133
<b>Total transactions with owners</b>	<b>804,862</b>	<b>5,611,730</b>	<b>349,133</b>	<b>-</b>	
<b>As at 30 September 2012</b>	<b>3,600,462</b>	<b>24,384,527</b>	<b>(5,223,639)</b>	<b>5,802,383</b>	<b>28,563,733</b>

### Condensed Consolidated Statement of Cash Flows

	9 months ended 30 September		3 months ended 30 September	
	2012	2011	2012	2011
	Unaudited £	Unaudited £	Unaudited £	Unaudited £
<b>Cash flows from operating activities</b>				
Profit / (Loss) before taxation	(1,872,757)	(1,226,322)	(615,237)	(549,689)
Interest income	(59,116)	(95,199)	(15,724)	(37,179)
Finance costs	125,894	136,945	41,965	45,649
Exchange differences	161,462	(1,688)	95,859	10,134
Employee share options charge	349,134	145,209	116,378	52,089
Profit on sale of property, plant and equipment	-	(10,876)	-	(10,876)
Depreciation	4,368	4,109	1,192	1,465
<b>Operating profit / (loss) before changes in working capital</b>	<b>(1,291,015)</b>	<b>(1,047,822)</b>	<b>(375,567)</b>	<b>(488,407)</b>
(Increase) / decrease in trade and other receivables	(217,407)	(6,429)	(3,915)	293,308
Increase / (decrease) in trade and other payables	74,268	138,894	(37,478)	(746,183)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(1,434,154)</b>	<b>(915,357)</b>	<b>(416,960)</b>	<b>(941,282)</b>
<b>Cash flows from investing activities</b>				
Net purchase of intangible assets	(1,767,140)	(3,743,580)	(694,827)	(1,758,952)
Purchase of property, plant and equipment	(101,322)	(62,511)	(37,309)	1,832
Proceeds from sale of property, plant and equipment	-	10,876	-	10,876
Interest received	59,116	95,199	15,724	37,179
<b>Net cash used in investing activities</b>	<b>(1,809,346)</b>	<b>(3,700,016)</b>	<b>(716,412)</b>	<b>(1,709,065)</b>
<b>Cash flows from financing activities</b>				
Proceeds from issue of ordinary shares	5,218,999	8,249,875	-	-
Share issue costs	(98,657)	(430,438)	-	-
<b>Net cash inflow from financing activities</b>	<b>5,120,342</b>	<b>7,819,437</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,876,842</b>	<b>3,204,064</b>	<b>(1,133,372)</b>	<b>(2,650,347)</b>
Cash and cash equivalents at beginning of period	5,856,949	3,847,031	8,801,564	9,701,372
Exchange (losses)/gains on cash and cash equivalents	(161,502)	0	(95,903)	70
<b>Cash and cash equivalents at end of the period</b>	<b>7,572,289</b>	<b>7,051,095</b>	<b>7,572,289</b>	<b>7,051,095</b>

### Major non-cash transactions

On 7 February 2012 the Company issued 8,500,000 new ordinary shares of 1 pence per share each to Lara Exploration Limited at a premium of 14 pence per share in consideration for the acquisition of the Vila Oito and Floresta nickel laterite projects.

## Notes to the Financial Statements

### 1 General information

The principal activity of Horizonte Minerals Plc ('the Company') and its subsidiaries (together 'the Group') is the exploration and development of precious and base metals. There is no seasonality or cyclicity of the Group's operations.

The Company's shares are listed on the Alternative Investment Market of the London Stock Exchange (AIM) and on the Toronto Stock Exchange (TSX). The Company is incorporated and domiciled in the United Kingdom. The address of its registered office is 26 Dover Street London W1S 4LY.

### 2 Basis of preparation

The condensed interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards and in accordance with International Accounting Standard 34 *Interim Financial Reporting*. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2011, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The condensed interim financial statements set out above do not constitute statutory accounts within the meaning of the Companies Act 2006. They have been prepared on a going concern basis in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as adopted by the European Union. Statutory financial statements for the year ended 31 December 2011 were approved by the Board of Directors on 2 February 2012 and delivered to the Registrar of Companies. The report of the auditors on those financial statements was unqualified.

The condensed interim financial statements of the Company have not been audited or reviewed by the Company's auditor, Littlejohn LLP.

#### *Going concern*

The Directors, having made appropriate enquiries, consider that adequate resources exist for the Group to continue in operational existence for the foreseeable future and that, therefore, it is appropriate to adopt the going concern basis in preparing the condensed interim financial statements for the period ended 30 September 2011.

#### *Risks and uncertainties*

The Board continuously assesses and monitors the key risks of the business. The key risks that could affect the Group's medium term performance and the factors that mitigate those risks have not substantially changed from those set out in the Group's 2011 Annual Report and Financial Statements, a copy of which is available on the Group's website: [www.horizonteminerals.com](http://www.horizonteminerals.com). The key financial risks are liquidity risk, foreign exchange risk, credit risk, price risk and interest rate risk.

#### *Critical accounting estimates*

The preparation of condensed interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period. Significant items subject to such estimates are set out in the Group's 2011 Annual Report and Financial Statements. The nature and amounts of such estimates have not changed significantly during the interim period.

### 3. Significant accounting policies

The condensed interim financial statements have been prepared under the historical cost convention as modified by the revaluation of certain of the subsidiaries' assets and liabilities to fair value for consolidation purposes.

The same accounting policies, presentation and methods of computation have been followed in these condensed interim financial statements as were applied in the preparation of the Group's Financial Statements for the year ended 31 December 2011, except for the impact of the adoption of the Standards and interpretations described below.

The preparation of condensed interim financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's Accounting Policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the condensed interim financial statements, are disclosed in Note 4 of the Group's 2011 Annual Report and Financial Statements.

#### 3.1. Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group

Amendments to IFRS 7 “Financial Instruments: Disclosures” are designed to help users of financial statements evaluate the risk exposures relating to transfers of financial assets and the effect of those risks on an entity’s financial position.

(b) New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2012 but not currently relevant to the Group.

The following standards and amendments to existing standards have been published and are mandatory for the Group’s accounting periods beginning on or after 1 January 2012 or later periods, but not currently relevant to the Group:

A revised version of IAS 24 “Related Party Disclosures” simplified the disclosure requirements for government-related entities and clarified the definition of a related party.

Amendments to IFRS 1 “First-time Adoption of International Financial Reporting Standards” replace references to a fixed date of 1 January 2004 with “the date of transition to IFRSs”, thus eliminating the need for companies adopting IFRSs for the first time to restate derecognition transactions that occurred before the date of transition to IFRSs, and provide guidance on how an entity should resume presenting financial statements in accordance with IFRSs after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation.

(c) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2012 and not early adopted

The Group’s assessment of the impact of these new standards and interpretations is set out below.

IFRS 10 “Consolidated Financial Statements” builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. This standard is effective for periods beginning on or after 1 January 2013, subject to EU endorsement. The Directors are assessing the possible impact of this standard on the Group’s Financial Statements.

IFRS 11 “Joint Arrangements” provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities. This standard is effective for periods beginning on or after 1 January 2013, subject to EU endorsement. The Directors are assessing the possible impact of this standard on the Group’s Financial Statements.

IFRS 12 “Disclosure of Interests in Other Entities” is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. This standard is effective for periods beginning on or after 1 January 2013, subject to EU endorsement. The Directors are assessing the possible impact of this standard on the Group’s Financial Statements.

IFRS 13 “Fair Value Measurement” improves consistency and reduces complexity by providing, for the first time, a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. It does not extend the use of fair value accounting, but provides guidance on how it should be applied where its use is already required or permitted by other standards. This standard is effective for periods beginning on or after 1 January 2013, subject to EU endorsement. The Directors are assessing the possible impact of this standard on the Group’s Financial Statements.

IAS 27 “Separate Financial Statements” replaces the current version of IAS 27 “Consolidated and Separate Financial Statements” as a result of the issue of IFRS 10 (see above). This revised standard is effective for periods beginning on or after 1 January 2013, subject to EU endorsement. The Directors are assessing the possible impact of this standard on the Group’s Financial Statements.

IAS 28 “Investments in Associates and Joint Ventures” replaces the current version of IAS 28 “Investments in Associates” as a result of the issue of IFRS 11 (see above). This revised standard is effective for periods beginning on or after 1 January 2013, subject to EU endorsement. The Directors are assessing the possible impact of this standard on the Group’s Financial Statements.

Amendments to IAS 1 “Presentation of Financial Statements” require items that may be reclassified to the profit or loss section of the income statement to be grouped together within other comprehensive income (OCI). The amendments also reaffirm existing requirements that items in OCI and profit or loss should be presented as either a single statement or two consecutive statements. These amendments are effective for periods beginning on or after 1 July 2012, subject to EU endorsement. The Directors are assessing the possible impact of these amendments on the Group’s Financial Statements.

Amendments to IAS 19 “Employment Benefits” eliminate the option to defer the recognition of gains and losses, known as the “corridor method”; streamline the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring remeasurements to be presented in other comprehensive income; and enhance the disclosure requirements for defined benefit plans, providing better information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in those plans. These amendments are effective for periods beginning on or after 1 January 2013, subject to EU endorsement, and are not expected to have an impact on the Group’s Financial Statements.

IFRIC 20 “Stripping Costs in the Production Phase of a Surface Mine” clarifies when stripping costs incurred in the production phase of a mine’s life should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. This interpretation is effective for periods beginning on or after 1 January 2013, subject to EU endorsement. The Directors are assessing the possible impact of this standard on the Group’s Financial Statements.

Amendments to IFRS 7 “Financial Instruments: Disclosures” require disclosure of information that will enable users of financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity’s recognised financial assets and recognised financial liabilities, on the entity’s financial position. This interpretation is effective for periods beginning on or after 1 January 2013 and interim periods within those annual periods, subject to EU endorsement. The Directors are assessing the possible impact of this amendment on the Group’s Financial Statements.

Amendments to IFRS 9 “Financial Instruments” and IFRS 7 “Financial Instruments: Disclosures” require entities to apply IFRS 9 for annual periods beginning on or after 1 January 2015 instead of on or after 1 January 2013, subject to EU endorsement. Early application continues to be permitted. The amendments also require additional disclosures on transition from IAS 39 “Financial Instruments: Recognition and Measurement” to IFRS 9. The Directors are assessing the possible impact of this amendment on the Group’s Financial Statements.

Amendments to IAS 32 “Financial Instruments: Presentation” add application guidance to address inconsistencies identified in applying some of the criteria when offsetting financial assets and financial liabilities. This includes clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement. This interpretation is effective for annual periods beginning on or after 1 January 2014, subject to EU endorsement, and is not expected to have an impact on the Group’s Financial Statements.

Amendments to IAS 12 “Income Taxes” introduce a presumption that recovery of the carrying amount of an asset measured using the fair value model in IAS 40 “Investment Property” will normally be through sale. This interpretation is effective for annual periods beginning on or after 1 January 2012, subject to EU endorsement, and is not expected to have an impact on the Group’s Financial Statements.

IFRS 9 “Financial Instruments” specifies how an entity should classify and measure financial assets, including some hybrid contracts, with the aim of improving and simplifying the approach to classification and measurement compared with IAS 39. This standard is effective for periods beginning on or after 1 January 2015, subject to EU endorsement. The Directors are assessing the possible impact of this standard on the Group’s Financial Statements.

Amendments to IFRS 10 “Consolidated Financial Statements”, IFRS 11 “Joint Arrangements” and IFRS 12 “Disclosure of Interests in Other Entities” clarify the IASB’s intention when first issuing the transition guidance in IFRS 10, provide similar relief in IFRS 11 and IFRS 12 from the presentation or adjustment of comparative information for periods prior to the immediately preceding period, and provide additional transition relief by eliminating the requirement to present comparatives for the disclosures relating to unconsolidated structured entities for any period before the first annual period for which IFRS 12 is applied. The amendments are effective for periods beginning on or after 1 January 2013, subject to EU endorsement. The Directors are assessing the possible impact of this standard on the Group’s Financial Statements.

“Annual Improvements 2009 – 2011 Cycle” sets out amendments to various IFRSs and provides a vehicle for making non-urgent but necessary amendments to IFRSs:

An amendment to IFRS 1 “First-time Adoption of International Financial Reporting Standards” clarifies whether an entity may apply IFRS 1:

- (a) if the entity meets the criteria for applying IFRS 1 and has applied IFRS 1 in a previous reporting period; or
- (b) if the entity meets the criteria for applying IFRS 1 and has applied IFRSs in a previous reporting period when IFRS 1 did not exist.

The amendment also addresses the transitional provisions for borrowing costs relating to qualifying assets for which the commencement date for capitalisation was before the date of transition to IFRSs.

An amendment to IAS 1 “Presentation of Financial Statements” clarifies the requirements for providing comparative information:

- (a) for the opening statement of financial position when an entity changes accounting policies, or makes retrospective restatements or reclassifications; and

(b) when an entity provides financial statements beyond the minimum comparative information requirements.

An amendment to IAS 16 "Property, Plant and Equipment" addresses a perceived inconsistency in the classification requirements for servicing equipment.

An amendment to IAS 32 "Financial Instruments: Presentation" addresses perceived inconsistencies between IAS 12 "Income Taxes" and IAS 32 with regard to recognising the consequences of income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction.

An amendment to IAS 34 "Interim Financial Reporting" clarifies the requirements on segment information for total assets and liabilities for each reportable segment.

The amendments are effective for periods beginning on or after 1 January 2013, subject to EU endorsement. The Directors are assessing the possible impact of this standard on the Group's Financial Statements.

#### 4 Segmental reporting

The Company operates in three geographical areas, UK, Brazil, and Other, with operations managed on a project by project basis within each geographical area. Activities in the UK are mainly administrative in nature whilst the activities in Brazil and Peru relate to exploration and evaluation work. The reports used by the chief operating decision maker are based on these geographical segments.

2012	UK	Brazil	Other	Total
	9 months ended 30 September 2012 £	9 months ended 30 September 2012 £	9 months ended 30 September 2012 £	9 months ended 30 September 2012 £
Revenue	-	-	-	-
Administrative expenses	(761,412)	(496,490)	(22,165)	(1,280,067)
Profit / (Loss) on foreign exchange	(106,048)	(75,049)	-	(181,097)
Other operating income	92,402	-	-	92,402
Loss from operations per reportable segment	(775,058)	(571,539)	(22,165)	(1,368,762)
Inter segment revenues	-	264,866	49,012	313,878
Depreciation charges	(1,440)	(2,928)	-	(4,368)
Additions to non-current assets	-	3,295,035	-	3,295,035
Reportable segment assets	7,773,803	26,004,448	819,771	34,598,022
Reportable segment liabilities	2,997,758	3,036,533	-	6,034,291

  

2011	UK	Brazil	Other	Total
	9 months ended 30 September 2011 £	9 months ended 30 September 2011 £	9 months ended 30 September 2011 £	9 months ended 30 September 2011 £
Revenue	-	-	-	-
Administrative expenses	(940,570)	(262,368)	(19,945)	(1,222,883)
Profit / (Loss) on foreign exchange	133	-	-	133
Other operating income	(234,863)	-	-	(234,863)
Acquisition costs expensed	407,369	-	-	407,369
Loss from operations per reportable segment	(767,931)	(262,368)	(19,945)	(1,050,244)
Inter segment revenues	-	179,041	39,120	218,161
Depreciation charges	(611)	(3,498)	-	(4,109)
Additions to non-current assets	-	2,587,490	-	2,587,490
Reportable segment assets	6,922,127	25,956,482	779,036	33,657,645
Reportable segment liabilities	3,155,212	3,352,060	-	6,507,272

2012	UK	Brazil	Other	Total
	3 months ended	3 months ended 30 September	3 months ended	3 months ended 30 September

	30 September 2012 £	2012 £	30 September 2012 £	2012 £
Revenue	-	-	-	-
Administrative expenses	(243,000)	(125,646)	(1,438)	(370,084)
Profit/(loss) on foreign exchange	(77,343)	(18,557)	-	(95,900)
Other operating Income	18,467	-	-	18,467
Loss from operations per reportable segment	(301,876)	(144,203)	(1,438)	(447,517)
Inter segment revenues	-	98,077	16,474	114,551
Depreciation charges	(339)	(939)	-	(1,278)
Additions to non-current assets	-	869,942	-	869,942

2011	UK 3 months ended 30 September 2011 £	Brazil 3 months ended 30 September 2011 £	Other 3 months ended 30 September 2011 £	Total 3 months ended 30 September 2011 £
Revenue	-	-	-	-
Administrative expenses	(274,810)	(135,298)	(10,497)	(420,605)
Profit/(loss) on foreign exchange	(82,497)	-	-	(82,497)
Acquisition costs expensed	(44,510)	-	-	(44,510)
Other operating Income	47,607	-	-	47,607
Loss from operations per reportable segment	(354,210)	(135,298)	(10,497)	(500,005)
Inter segment revenues	-	99,034	13,199	112,233
Depreciation charges	(247)	(1,218)	-	(1,465)
Additions to non-current assets	-	501,721	-	501,721

A reconciliation of adjusted loss from operations per reportable segment to profit/(loss) before tax is provided as follows:

	9 months ended 30 September 2012 £	9 months ended 30 September 2011 £	3 months ended 30 September 2012 £	3 months ended 30 September 2011 £
Profit/(Loss) from operations per reportable segment	(1,368,762)	(1,050,244)	(447,517)	(500,005)
- Charge for Share Options Granted	(349,133)	(145,209)	(116,378)	(52,091)
Toronto Stock Exchange fees and associated costs	(88,084)	-	(25,102)	-
- Gain on sale of fixed asset	-	10,876	-	10,876
- Finance income	59,116	95,199	15,725	37,179
- Finance costs	(125,894)	(136,944)	(41,965)	(45,648)
Profit/(Loss) for the period from continuing operations	(1,872,757)	(1,226,322)	(615,237)	(549,689)

## 5 Other operating income

Included in other operating income for the nine months ended 30 September 2011 is US\$500,000 (30 September 2012: nil) relating to an option payment received from Anglo Pacific Group plc ("Anglo"). On 12 January 2011 the Company signed an option agreement with Anglo whereby Anglo received the option to acquire a Net Smelter Royalty ("NSR") on future nickel revenues of the Araguaia project in exchange for the option payment.

If Anglo chooses to exercise the option, which is exercisable upon completion of a pre-feasibility study of the Araguaia project, it will pay Horizonte US\$12.5m and shall receive a NSR. The NSR will be at a rate of 1.5% of nickel revenue produced up to 30,000 tonnes per annum, reduced by 0.02% for every 1,000 tonnes per annum above this rate. The rate will be fixed at a minimum rate of 1.1% for production of 50,000 tonnes per annum and above.

## 6 Intangible assets

Intangible assets comprise exploration and evaluation costs and goodwill. Exploration and evaluation costs comprise internally generated and acquired assets. Additions are net of amounts payable by the Group's strategic partners under various joint venture agreements, amounting to £ 796,168.

Group	Goodwill £	Exploration and evaluation costs £	Total £
Cost			
At 1 January 2012	387,378	18,968,079	19,355,457
Additions	-	3,295,035	3,295,035
Exchange rate movements	(44,613)	(2,200,616)	(2,245,229)
Net book amount at 30 September 2012	342,765	20,062,498	20,405,263

## 7 Share Capital

Issued and fully paid	Number of shares	Ordinary shares £	Share premium £	Total £
At 1 January 2012	279,559,980	2,795,600	18,772,797	21,568,397
Issue of ordinary shares	80,486,190	804,862	5,710,387	6,515,249
Issue costs	-	-	(98,657)	(98,657)
At 30 September 2012	360,046,170	3,600,462	24,384,527	27,984,989

## 8 Dividends

No dividend has been declared or paid by the Company during the nine months ended 30 September 2012 (2011: nil).

## 9 Loss per share

The calculation of the basic loss per share of 0.593 pence for the 9 months ended 30 September 2012 (30 September 2011 loss per share: 0.451 pence) is based on the loss attributable to the equity holders of the Company of £1,872,757 for the nine month period ended 30 September 2012 (30 September 2011: £1,226,322) divided by the weighted average number of shares in issue during the period of 315,618,569 (weighted average number of shares for the 9 months ended 30 September 2011: 272,084,955).

The calculation of the basic loss per share of 0.171 pence for the 3 months ended 30 September 2012 (30 September 2011 earnings per share: 0.197 pence) is based on the loss attributable to the equity holders of the Company of £615,237 for the three month period ended 30 September 2012 (3 months ended 30 September 2011: £549,689) divided by the weighted average number of shares in issue during the period of 360,046,710 (weighted average number of shares for the 3 months ended 30 September 2011: 279,559,980).

Details of share options that could potentially dilute earnings per share in future periods are disclosed in the notes to the Group's Annual Report and Financial Statements for the year ended 31 December 2011.

## 10 Ultimate controlling party

The Directors believe there to be no ultimate controlling party.

## 11 Related party transactions

The nature of related party transactions of the Group has not changed from those described in the Group's Annual Report and Financial Statements for the year ended 31 December 2010.

## 12 Commitments

The Group had capital expenditure contracted for at the end of the reporting period but not yet incurred of £ 1,035,564 relating to intangible exploration assets and operating lease commitments of £ 58,575. All other commitments remain as stated in the Group's Annual Financial Statements for the year ended 31 December 2011.

## 13 Events after the reporting period

On November 6<sup>th</sup> 2012 the Company announced that it had subscribed through a private placement for 8,000,000 new shares in Guyana Frontier Mining Corp. ("Guyana") at a price of C\$ 0.05 per share, with an additional 8,000,000 warrants with an exercise price of C\$ 0.10 per share and valid for 24 months and

on the same date had entered into an agreement with Guyana Frontier whereby upon completion Guyana would acquire the subsidiary holding the Falcao project in consideration for 84,000,000 new shares in Guyana. Completion of the transaction with regard to Falcao is subject to approval by the shareholders of Guyana Frontier.

#### **14 Approval of interim financial statements**

The Condensed interim financial statements were approved by the Board of Directors on 13<sup>th</sup> November 2012.