25 February 2015

FINAL RESULTS

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25 February 2015 – Horizonte Minerals Plc, (AIM: HZM, TSX: HZM) ('Horizonte' or 'the Company') the exploration and development company focussed in Brazil, announces its results for the year ended 31 December 2014.

Overview

- Completion of NI 43-101 compliant Pre-Feasibility Study ('PFS') on the 100% owned Araguaia Nickel Project in Brazil ('Araguaia'), demonstrating robust project economics for a 15,000 tpa nickel in Fe-Ni product with post-tax Net Present Value at 8% discount rate (NPV_8) of USD 519 million and IRR of 20% for total initial capex of USD 582 million

- PFS confirmed that Araguaia ore is amenable for utilisation of the proven Rotary Kiln Electric Furnace processing route, a 60 year old technology which is used by circa 20 operations worldwide today

- Current NI 43-101 compliant Mineral Resource, comprising of 71.98 Mt grading 1.33% Ni (Indicated) and 25.35 Mt at 1.21% Ni (Inferred)

- Araguaia received 'Seal of Priority' from SEICOM, the State of Parà's Department of Industry, Commerce and Mining, to assist fast track the development of Araguaia demonstrating support for the project by the Brazilian authorities

- Social Environmental Impact Assessment ('SEIA') for Araguaia filed Q3 2014, a key milestone towards receiving the Preliminary Licence, anticipated for 2015

- Araguaia SEIA received positive support from local community and government authorities at the Public Hearing in January 2015 for the Aragauia Environmental Impact Assessment; the final step in the award of the Preliminary Licence ('LP')

- Commenced Phase 4 Resource infill drilling campaign utilising 8 diamond drill rigs as part of preparatory work for the Feasibility Study planned for 2015; initial results over the bulk sample sites have returned high nickel grades

- Successful placing resulting in strong year-end cash position of £5 million, providing a solid platform for commencement of the Feasibility Study at Araguaia

Chairman's Statement

Despite the challenging market conditions for the resource sector in 2014 and continuing into 2015, exemplary progress has been made by Horizonte throughout the year at its wholly owned Araguaia nickel project in Parà State, north central Brazil ('Araguaia'), as it moves to develop the next major nickel project in Brazil.

Your Company announced the completed Pre-Feasibility Study ('PFS') in March 2014, on time, within a tightly constrained budget and importantly demonstrated the robust economics of Araguaia as a leading nickel development project globally. In line with the wider macroeconomic environment, the PFS focussed on maximising returns while minimising financial and technical risk and as such two operational scenarios were evaluated which demonstrated that Araguaia offers flexibility to be developed at multiple scales.

Our selected route to take to the Feasibility Stage is a smaller 'Base Case' scenario utilising a single line Rotary Kiln Electric Furnace ('RKEF') plant, running at 900,000 tpa ore throughput, with 15,000 t targeted annual production of nickel in Fe-Ni product that offers an after tax NPV_8 of USD 519 million and a IRR of 20%. The large scale 'Option', which would also utilise the proven process of RKEF, offers production upside with an NPV_8 of USD 1.2 billion and 21% IRR based on 2.7Mtpa twin line 40,000 tpa nickel in Fe-Ni product. However, the Base Case option importantly brings the project to a capital level which is within reach of a junior mining company such as ours, whilst demonstrating the considerable upside that future expansion could bring.

The strong project economics of Araguaia are also supported by the high nickel grades demonstrated at Araguaia, with an average feed grade for the first 10 years of 1.76% Ni, placing the deposit in the upper quartile for grade globally. Add to this the extremely low C1 cash costs of USD4.16/lb (USD 9,166/t) together with significant free cash flow generated over life of mine of approximately of USD1.8 billion post tax on the Base Case Scenario, and it is clear that Araguaia offers a compelling investment case.

With the PFS completed, and despite poor market sentiment overall during 2014, Horizonte successfully closed a £5.5 million placing before costs in July 2014, which further strengthened the balance sheet. Importantly Horizonte has a supportive shareholder base led by Teck Resources, and Henderson Global Investors. With this and a solid cash position, we are well positioned to deliver on Araguaia's next development milestones as we take it through to the Feasibility Study ('FS') stage during 2015.

The FS is the next major milestone on the journey to further de-risk the project, leading into the financing to the construction and production stage.

With this in mind we successfully filed our Social and Environmental Impact Assessment ('SEIA') in June 2014. The completion and filing marked a significant de-risking step for Araguaia, as we worked with local stakeholders, communities and government agencies. The

report is currently being reviewed by the Pará State Environmental Agency and, post the public hearing, we should receive the Preliminary Licence later in 2015.

The FS will also aim to deliver a Proven Reserve to cover the earlier part of the mine life, as well as defining the balance of the mine life in the Probable Reserve category for the Base Case option of the PFS. To this extent drilling has been underway since Q4 2014.

The current market sentiment towards resource companies is focussed on the perception of falling demand for many metals, with associated price falls. What needs to be made clear is that even with moderate growth, the supply pipeline is lean. It will be a lack of supply that will be responsible for increasing prices and a resurgence of the resource sector. Not that demand is that bad really – Wood Mackenzie predicts a 3.4% annual increase in nickel consumption through to 2018. They see a nickel shortage after the overhang is consumed by 2018 with some 778,000t of new nickel needed by 2030 and 300,000t by 2018.

The Indonesian ban on raw material exports is influential in this future picture. The potential building of nickel pig iron smelters within Indonesia could supply new nickel currently off market but the high costs of construction, plus problems with permitting etc. may restrict this new supply. While new nickel pig iron may come from the Philippines, due to lower overall nickel grades in the Philippines as compared to Indonesia, this will be insufficient to fill that large and increasing supply gap.

As a result there are bullish views on the future nickel price; the Bank of America Merrill Lynch forecast prices potentially reaching -USD 25,000/t in 2015 and Wood MacKenzie support this view with a long term price of USD 25,350 to USD 26,460/t.

The PFS was modelled on a USD 19,000/t nickel price and we believe the timing of the mine start up fits well with these pricing forecasts.

With the above in mind, Araguaia is developing into a leading nickel project globally in terms of size and grade which offers strong economics, a proven process route, and good infrastructure. Your Company is led by an experienced Board and expanding management team with significant experience in both South America and the nickel resource space, and has positioned Araguaia for development at a crucial time for the nickel market when demand will outstrip supply and nickel prices will ensure massive value creation from the project.
I am delighted that Horizonte has a solid track record of delivering milestones on time and on budget; for this much credit must go to Jeremy Martin, C.E.O., and having already completed the PFS this year which demonstrated robust economics, we are well funded following our recent placing to move into the Feasibility stage. I would like to take this opportunity to thank the dedicated Horizonte Board of Directors, Management team and shareholders for your continued support and I look forward to providing further updates as we continue to develop Brazil's next major nickel project.

David J Hall

Chairman
25 February 2015

For further information visit www.horizonteminerals.com or contact:

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The Annual Report for the year ended 31 December 2014, together with the Management's Discussion and Analysis prepared as at 31 December 2014 and Notice of Meeting and Management Information Circular with Respect to the Annual General Meeting of Shareholders to be held on 31 March 2015 will be posted to shareholders and are available on the Company's website at www.horizonteminerals.com and on Sedar www.Sedar.com

The Annual General Meeting of the Company will be held at 2:30pm on 31 March 2015 at FinnCap 60 New Broad Street London EC2M 1JJ.

CEO Jeremy Martin will give a corporate presentation at the AGM.

Financial Statements

Independent Auditor's Report to the Members of Horizonte Minerals Plc

We have audited the Financial Statements of Horizonte Minerals Plc for the year ended 31 December 2014 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Cash Flows, the Consolidated and Parent Company Statements of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the Parent Company Financial Statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor
As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the Financial Statements
An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group and the Parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Directors; and the overall presentation of the Financial Statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited Financial Statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements
In our opinion:
- the Financial Statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2014 and of the Group's loss for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company Financial Statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Alistair Roberts (Senior statutory auditor)
For and on behalf of PKF Littlejohn LLP
Statutory auditor

1 Westferry Circus
Canary Wharf
London E14 4HD

25 February 2015

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2014

	Notes	**Year ended 31 December 2014 £**	Year ended 31 December 2013 £
Continuing operations			
Revenue		**—**	—
Cost of sales		**—**	—
Gross profit		**—**	—
Administrative expenses		**(1,311,688)**	(1,288,758)
Charge for share options granted		**(125,107)**	(171,277)
Changes in fair value of contingent consideration	18	**415,702**	46,940
Project and intangible fixed asset impairment	6	**(31,989)**	(1,033,240)
Loss on foreign exchange		**(46,364)**	(149,199)
Operating loss	6	**(1,099,446)**	(2,595,534)
Finance income	7	**31,413**	47,451
Finance costs	7	**(173,903)**	(165,138)
Loss before taxation		**(1,241,936)**	(2,713,221)
Taxation	8	—	—
Loss for the year from continuing operations attributable to owners of the parent		**(1,241,936)**	(2,713,221)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Changes in value of available for sale financial assets	12	**(22,729)**	(174,985)
Currency translation differences on translating foreign operations	17	**(1,438,422)**	(4,124,364)
Other comprehensive income for the year, net of tax		**(1,461,151)**	(4,299,349)
Total comprehensive income for the year attributable to owners of the parent		**(2,703,087)**	(7,012,570)
Earnings per share from continuing operations attributable to owners of the parent			
Basic (pence per share)	20	**(0.283)**	(0.709)
Diluted (pence per share)	20	**(0.283)**	(0.709)

Consolidated Statement of Financial Position

Company number: 05676866
As at 31 December 2014

	Notes	**31 December 2014 £**	31 December 2013 £
Assets			
Non-current assets			
Intangible assets	9	**20,770,312**	20,041,937
Property, plant & equipment	10	**54,390**	107,451
Deferred tax assets	8	**5,065,976**	5,373,634
		25,890,678	25,523,022
Current assets			
Trade and other receivables	11	**22,709**	62,127
Available for sale financial assets	12	—	22,729
Cash and cash equivalents	13	**5,030,968**	3,091,880
		5,053,677	3,176,736
Total assets		**30,944,355**	28,699,758
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	14	**4,924,271**	4,011,395
Share premium	15	**31,095,370**	26,997,998
Other reserves	17	**(321,601)**	1,139,550
Retained losses		**(9,526,869)**	(8,410,040)
Total equity		**26,171,171**	23,738,903
Liabilities			
Non-current liabilities			
Contingent consideration	18	**2,235,512**	2,477,310
Deferred tax liabilities	8	**2,201,778**	2,335,492
		4,437,290	4,812,802
Current liabilities			
Trade and other payables	18	**335,894**	148,053
		335,894	148,053
Total liabilities		**4,773,184**	4,960,855
Total equity and liabilities		**30,944,355**	28,699,758

The financial statements were authorised for issue by the Board of Directors on 25 February 2015 and were signed on its behalf.

David J Hall
Chairman

Jeremy J Martin
Chief Executive Officer

Company Statement of Financial Position

Company number: 05676866

As at 31 December 2014

	Notes	**31 December 2014 £**	31 December 2013 £
Assets			
Non-current assets			
Property, plant & equipment	10	**2,291**	5,137
Investment in subsidiaries	26	**37,768,225**	34,525,339
		37,770,516	35,530,476
Current assets			
Trade and other receivables	11	**13,818**	12,035
Cash and cash equivalents	13	**4,208,984**	2,756,368
		4,222,802	2,768,403
Total assets		**41,993,318**	37,298,879
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	14	**4,924,271**	4,011,395
Share premium	15	**31,095,370**	26,997,998
Merger reserve	17	**10,888,760**	10,888,760
Retained losses		**(7,652,755)**	(7,551,817)
Total equity		**39,255,646**	34,346,336
Liabilities			
Non-current liabilities			
Contingent consideration	18	**2,235,512**	2,477,310
Current liabilities			
Trade and other payables	18	**502,160**	475,233
Total liabilities		**2,737,672**	2,952,543
Total equity and liabilities		**41,993,318**	37,298,879

The financial statements were authorised for issue by the Board of Directors on 25 February 2015 and were signed on its behalf.

David J Hall
Chairman

Jeremy J Martin
Chief Executive Officer

Statements of Changes in Equity

For the year ended 31 December 2014

	Attributable to owners of the parent				
	Share capital £	Share premium £	Retained losses £	Other reserves £	Total £
Consolidated					
As at 1 January 2013	3,600,462	24,384,527	(5,868,096)	5,438,899	27,555,792
Loss for the year	—	—	(2,713,221)	—	(2,713,221)
Other comprehensive income:					
Changes in value of available for sale financial assets	—	—	—	(174,985)	(174,985)
Currency translation differences on translating foreign operations	—	—	—	(4,124,364)	(4,124,364)
Total comprehensive income for the year	—	—	(2,713,221)	(4,299,349)	(7,012,570)
Issue of ordinary shares	410,933	2,671,066	—	—	3,081,999
Issue costs	—	(57,595)	—	—	(57,595)
Share-based payments	—	—	171,277	—	171,277
Total transactions with owners recognised directly in equity	410,933	2,613,471	171,277	—	3,195,681
As at 31 December 2013	**4,011,395**	**26,997,998**	**(8,410,040)**	**1,139,550**	**23,738,903**
Loss for the year	—	—	(1,241,936)	—	(1,241,936)
Other comprehensive income:					
Changes in value of available for sale financial assets	—	—	—	(22,729)	(22,729)
Currency translation differences on translating foreign operations	—	—	—	(1,438,422)	(1,438,422)
Total comprehensive income for the year	—	—	(1,241,936)	(1,461,151)	(2,703,087)
Issue of ordinary shares	912,876	4,564,389	—	—	5,477,265
Issue costs	—	(467,017)	—	—	(467,017)
Share-based payments	—	—	125,107	—	125,107
Total transactions with owners, recognised directly in equity	912,876	4,097,372	125,107	—	5,135,355
As at 31 December 2014	**4,924,271**	**31,095,370**	**(9,526,869)**	**(321,601)**	**26,171,171**

	Attributable to equity shareholders				
	Share capital £	Share premium £	Retained losses £	Merger reserves £	Total £
Company					
As at 31 January 2013	3,600,462	24,384,527	(3,344,872)	10,888,760	35,528,877
Loss for the year	—	—	(4,378,222)	—	(4,378,222)
Total comprehensive income for the year	—	—	(4,378,222)	—	(4,378,222)
Issue of ordinary shares	410,933	2,671,066	—	—	3,081,999
Issue costs	—	(57,595)	—	—	(57,595)
Share-based payments	—	—	171,277	—	171,277
Total transactions with owners, recognised directly in equity	410,933	2,613,471	171,277	—	3,195,681
As at 31 December 2013	**4,011,395**	**26,997,998**	**(7,551,817)**	**10,888,760**	**34,346,336**
Loss for the year	—	—	(226,045)	—	(226,045)
Total comprehensive income for the year	—	—	(226,045)	—	(226,045)
Issue of ordinary shares	912,876	4,564,389	—	—	5,477,265
Issue costs	—	(467,017)	—	—	(467,017)
Share-based payments	—	—	125,107	—	125,107
Total transactions with owners, recognised directly in equity	912,876	4,097,372	125,107	—	5,135,355

As at 31 December 2014	4,924,271	31,095,370	(7,652,755)	10,888,760	39,255,646

Consolidated Statement of Cash Flows

For the year ended 31 December 2014

	Notes	**31 December 2014 £**	31 December 2013 £
Cash flows from operating activities			
Loss before taxation		**(1,241,936)**	(2,713,221)
Finance income		**(31,413)**	(47,451)
Finance costs		**173,903**	165,138
Charge for share options granted		**125,107**	171,277
Impairment of intangible assets		**31,989**	1,048,282
Exchange differences		**46,364**	(27,424)
Change in fair value of contingent consideration		**(415,702)**	(46,940)
Depreciation		**3,666**	4,370
Operating loss before changes in working capital		**(1,308,022)**	(1,445,969)
Decrease/(increase) in trade and other receivables		**39,417**	(17,285)
Increase/(decrease) in trade and other payables		**55,558**	(177,040)
Net cash used in operating activities		**(1,213,047)**	(1,640,294)
Cash flows from investing activities			
Purchase of intangible assets		**(1,843,161)**	(4,199,863)
Purchase of property, plant and equipment		—	(100,037)
Proceeds from sale of property, plant and equipment		—	91,247
Interest received		**31,413**	47,451
Net cash used in investing activities		**(1,811,748)**	(4,161,202)
Cash flows from financing activities			
Proceeds from issue of ordinary shares		**5,477,265**	3,081,999
Issue costs		**(467,017)**	(57,595)
Net cash generated from financing activities		**5,010,248**	3,024,404
Net increase/(decrease) in cash and cash equivalents		**1,985,453**	(2,777,092)
Cash and cash equivalents at beginning of year		**3,091,880**	5,887,174
Exchange loss on cash and cash equivalents		**(46,365)**	(18,202)
Cash and cash equivalents at end of the year	13	**5,030,968**	3,091,880

Major non-cash transactions

During the year ended 31 December 2014 additions to intangible exploration assets included £46,261 (2013: £80,109) in relation to depreciation charges on property, plant and equipment used for exploration activities.

Company Statement of Cash Flows

For year ended 31 December 2014

	Notes	**31 December 2014 £**	31 December 2013 £
Cash flows from operating activities			
Loss before taxation		**(226,045)**	(4,378,222)
Finance income		**(14,006)**	(45,075)
Charge for share options granted		**125,107**	171,277
Impairment of investment in subsidiaries		—	4,264,167
Depreciation		**2,846**	2,868
Operating (loss)/profit before changes in working capital		**(112,098)**	15,015
(Increase)/decrease in trade and other receivables		**(1,783)**	13,707
Increase/(decrease) in trade and other payables		**26,929**	(179,324)
Net cash flows used in operating activities		**(86,952)**	(150,602)
Cash flows from investing activities			
Loans to subsidiary undertakings		**(3,484,684)**	(5,314,945)
Purchase of property, plant and equipment		—	(2,550)
Interest received		**14,006**	45,075
Net cash used in investing activities		**(3,470,678)**	(5,272,420)
Cash flows from financing activities			
Proceeds from issue of ordinary shares		**5,477,265**	3,081,999
Issue costs		**(467,017)**	(57,595)
Net cash generated from financing activities		**5,010,248**	3,024,404
Net increase/(decrease) in cash and cash equivalents		**1,452,616**	(2,398,618)
Cash and cash equivalents at beginning of year		**2,756,368**	5,154,986
Cash and cash equivalents at end of the year	13	**4,208,984**	2,756,368

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. The Company's shares are listed on the Alternative Investment Market of the London Stock Exchange and on the Toronto Stock Exchange. The Company is incorporated and domiciled in the UK.

The address of its registered office is 26 Dover Street, London W1S 4LY.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the years presented.

2.1 Basis of preparation

These Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and IFRS interpretations Committee (IFRS IC) interpretations as adopted by the European Union (EU) and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The Financial Statements have been prepared under the historical cost convention as modified by the revaluation of certain subsidiaries' assets and liabilities to fair value for consolidation purposes.

The preparation of 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 Financial Statements, are disclosed in Note 4.

2.2 Changes in accounting policy and disclosures

a) New and amended standards adopted by the Group

A number of new standards and amendments to standards and interpretations are effective for the annual period beginning after 1 January 2014 and have been applied in preparing these financial statements.

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.

IFRS 12, 'Disclosures of interests in other entities', includes the disclosure requirements for all forms of interests in entities, including joint arrangements, associates, special purpose vehicles and other off Statement of Financial Position vehicles.

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. The revised standard includes the requirements relating to separate 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. The revised standard includes the requirements for associates and joint ventures that have to be equity accounted following the issue of IFRS 11.

b) New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2014, but not currently relevant to the Group

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these financial

statements. None of these is expected to have a significant effect on the financial statements of the Company or Group.

Amendment 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.

Amendment to IAS 36, 'Impairment of Assets', require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal. The amendments also incorporate the requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.

Amendment to IAS 39, 'Financial Instruments: Novation of Derivatives and Continuation of Hedge Accounting', make it clear that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met. This relief has been introduced in response to legislative change across many jurisdictions that would lead to the widespread novation of over-the-counter derivatives.

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. There are two types of joint arrangement; joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and therefore accounts for its share of assets, liabilities, revenue and expenses. Joint ventures arise where the joint venture has rights to the net assets of the arrangement and therefore equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed.

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.

Amendments to IFRS 10, 'Consolidated Financial Statements', IFRS 12, 'Disclosure of Interests in Other Entities' and IAS 27, 'Separate Financial Statements', define an investment entity and introduce an exception to consolidating particular subsidiaries for investment entities. These amendments require an investment entity to measure those subsidiaries at fair value through profit or loss in accordance with IFRS 9 'Financial Instruments', in its consolidated and separate financial statements. The amendments also introduce new disclosure requirements for investment entities in IFRS 12 and IAS 27. IFRIC 21, 'Levies', addresses the accounting for a liability to pay a levy if that liability is within the scope of IAS 37. The interpretation also addresses the accounting for a liability to pay a levy whose timing and amount is certain

c) New and amended standards and interpretations issued but not yet effective for the financial year beginning 1 January 2014 and not early adopted

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The Company and Group intend to adopt these standards, if applicable, when they become effective.

Amendments to IAS 1 "Presentation of Financial Statements": Disclosure Initiative. The amendments to IAS 1 address perceived impediments to preparers exercising their judgment in presenting their financial reports by making the following changes:

- clarification that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to all parts of the financial

statements, and even when a standard requires a specific disclosure, materiality considerations do apply;

- clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss;
- additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.

The Group intends to adopt the amended standard no later than the annual period beginning on or after 1 January 2016, subject to EU endorsement.

Amendments to IAS 16 ‘Property, Plant and Equipment’ and IAS 38 ‘Intangible Assets’: Clarification of Acceptable Methods of Depreciation and Amortisation. The amendments clarify that a depreciation method which is based on revenue that is generated by an activity which includes the use of an asset is not appropriate for property, plant and equipment. The amendments also introduce a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances. The Group intends to adopt the amended standard no later than the annual period beginning on or after 1 January 2016, subject to EU endorsement.

Amendments to IAS 16 “Property, Plant and Equipment” and IAS 41 “Agriculture”: Bearer Plants. The amendments include ‘bearer plants’ within the scope of IAS 16 instead of IAS 41, allowing such assets to be accounted for as property, plant and equipment and measured after initial recognition on a cost or revaluation basis in accordance with IAS 16. The amendments also introduce a definition of ‘bearer plants’ as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. The amendments also clarify that produce growing on bearer plants remains within the scope of IAS 41. The Group has yet to assess the amendments’ full impact but intends to adopt no later than accounting periods beginning on or after 1 January 2016, subject to EU endorsement.

Amendment to IAS 19, ‘Defined Benefit Plans: Employee Contributions’, provides guidance added to IAS 19 Employee Benefits on accounting for contributions from employees or third parties set out in the formal terms of a defined benefit plan. The Directors do not believe that this will have an impact on the Group, however will be adopted no later than accounting period beginning on or after 1 July 2014, subject to endorsement by the EU.

Amendments to IAS 27 “Separate Financial Statements”: Equity Method in Separate Financial Statements. The amendments to IAS 27 permit investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in the separate financial statements. The Group intends to adopt the amended standard no later than the annual period beginning on or after 1 January 2016, subject to EU endorsement.

IFRS 9 (2014) ‘Financial Instruments’ supersedes IFRS 9 (2009), IFRS 9 (2010) and IFRS 9 (2013). The finalised version of IFRS 9 contains accounting requirements for financial instruments, replacing IAS 39 ‘Financial Instruments: Recognition and Measurement’. The content of IFRS 9 (2014) includes:

- Classification and measurement – financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The standard introduces a fair value through other comprehensive income category for certain debt instruments. Financial liabilities are classified in a similar manner to that under IAS 39 however there are differences in the requirements applying to the measurement of an entity’s own risk.
- Impairment – The standard introduces an expected credit loss model for the measurement of the impairment of financial assets. so it is no longer necessary for a credit event to have occurred before a credit loss is recognised.

- Hedge accounting – The standard introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- Derecognition – the requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

The Group intends to adopt the amended standards no later than the annual period beginning on or after 1 January 2018, subject to EU endorsement.

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' (2011) in order to clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture, as follows:

- require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 Business Combinations.)
- require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognised only to the extent of the unrelated investors' interests in that associate or joint venture.

These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occurs by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves. The Group intends to adopt the amended standard no later than the annual period beginning on or after 1 January 2016, subject to EU endorsement.

Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exception. Amends IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investments in Associates and Joint Ventures (2011) to address issues that have arisen in the context of applying the consolidation exception for investment entities by clarifying the following points:

- The exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value.
- A subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity.
- When applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries.
- An investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by IFRS 12.

The Group intends to adopt the amended standard no later than the annual period beginning on or after 1 January 2016, subject to EU endorsement.

Amendments to IFRS 11 "Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations" require an acquirer of an interest in a joint operation in which the activity constitutes a business as defined in IFRS 3. The amendments apply both to the initial acquisition of an interest in a joint operation, and the acquisition of an additional interest in a joint operation. The Group has yet to assess the full impact of this amendment and intends to adopt no later than accounting period beginning on or after 1 January 2016, subject to EU endorsement.

IFRS 14 "Regulatory Deferral Accounts" permits an entity which is a first time adopter of International Financial Reporting Standards to continue to account, with some limited changes for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements. The Group is yet to assess the full impact of this amendment and intends to adopt no later than the accounting period beginning on or after 1 January 2016, subject to EU endorsement.

IFRS 15 "Revenue from Contracts with Customers" provides a single, principles based five-step model to be applied to all contracts with customers. The standard includes guidance on the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. IFRS 15 also introduces new disclosures about revenue. The

Group is yet to assess the full impact of this amendment and intends to adopt no later than the accounting period beginning on or after 1 January 2017, subject to EU endorsement.

'Annual Improvements 2010 – 2012 Cycle' sets out amendments to various IFRSs and provides a vehicle for making non-urgent but necessary amendments to IFRSs:

- IFRS 2 'Share-based Payment': amendment to the definition of a vesting condition.
- IFRS 3 'Business Combinations': amendments to the accounting for contingent consideration in a business combination.
- IFRS 8 'Operating Segments': amends to the aggregation of operating segments and the reconciliation of the total of the reportable segments' assets to the entity's assets.
- IFRS 13 'Fair Value Measurement': amendments to short-term receivables and payables.
- IAS 16 'Property, Plant and Equipment': amendments to the revaluation method in relation to the proportionate restatement of accumulated depreciation.
- IAS 24 'Related Party Disclosures': amendments regarding key management personnel.
- IAS 38 'Intangible Assets': amendments to the revaluation method in relation to the proportionate restatement of accumulated depreciation.

The Group intends to adopt the amended standards no later than the annual period beginning on or after 1 July 2014, subject to EU endorsement.

'Annual Improvements 2011 – 2013 Cycle' sets out amendments to various IFRSs and provides a vehicle for making non-urgent but necessary amendments to IFRSs:

- IFRS 1 'First-time Adoption of International Financial Reporting Standards': amendment to the meaning of 'effective IFRSs'.
- IFRS 3 'Business Combinations': amendments to the scope exceptions for joint ventures.
- IFRS 13 'Fair Value Measurement': amendments to the scope of paragraph 52 (portfolio exception).
- IAS 40 'Investment Property': amendments clarifying the interrelationship between IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.

The Group intends to adopt the amended standards no later than the annual period beginning on or after 1 July 2014, subject to EU endorsement.

Annual Improvements 2012 – 2014 Cycle" sets out additional amendments to the following IFRSs:

- IFRS 5 — Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued
- IFRS 7 — Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements
- IAS 9 — Clarify that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid
- IAS 34 — Clarify the meaning of 'elsewhere in the interim report' and require a cross-reference

The Group intends to adopt the amended standards no later than the annual periods beginning on or after 1 July 2016, subject to EU endorsement.

2.3 Basis of consolidation

Horizonte Minerals Plc was incorporated on 16 January 2006. On 23 March 2006 Horizonte Minerals Plc acquired the entire issued share capital of Horizonte Exploration Limited (HEL) by way of a share for share exchange. The transaction was treated as a group reconstruction and was accounted for using the merger accounting method as the entities were under common control before and after the acquisition.

Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

The Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary

Other than for the acquisition of HEL as noted above, the Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are expensed as incurred unless they result from the issuance of shares, in which case they are offset against the premium on those shares within equity.

If an acquisition is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or a liability is recognised in accordance with IAS 39 either in profit or loss or as a change in other comprehensive income. The unwinding of the discount on contingent consideration liabilities is recognised as a finance charge within profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with policies adopted by the Group.

Investments in subsidiaries are accounted for at cost less impairment.

The following 100% owned subsidiaries have been included within the consolidated Financial Statements:

Subsidiary undertaking	Parent company	Country of incorporation	Nature of business
Horizonte Exploration Ltd	Horizonte Minerals Plc	England	Mineral Exploration
Horizonte Minerals (IOM) Ltd	Horizonte Exploration Ltd	Isle of Man	Holding company
HM Brazil (IOM) Ltd	Horizonte Minerals (IOM) Ltd	Isle of Man	Holding company
HM Peru (IOM) Ltd	Horizonte Minerals (IOM) Ltd	Isle of Man	Holding company
Horizonte Nickel (IOM) Ltd	Horizonte Minerals (IOM) Ltd	Isle of Man	Holding company
HM do Brasil Ltda	HM Brazil (IOM) Ltd	Brazil	Mineral Exploration
Araguaia Niquel Mineração Ltda	Horizonte Nickel (IOM) Ltd	Brazil	Mineral Exploration
Lontra Empreendimentos e Participações Ltda	Araguaia Niquel Mineração Ltda/ Horizonte Nickel (IOM) Ltd	Brazil	Mineral Exploration

Mineira El Aguila SAC	HM Peru (IOM) Ltd	Peru	Mineral Exploration
Mineira Cotahusi SAC	Mineira El Aguila SAC	Peru	Mineral Exploration

2.4 Going concern

The Group's business activities together with the factors likely to affect its future development, performance and position are set out in the Chairman's Statement on pages 4 and 5; in addition note 3 to the Financial Statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposure to credit and liquidity risk.

The Financial Statements have been prepared on a going concern basis. Although the Group's assets are not generating revenues and an operating loss has been reported, the Directors consider that the Group has sufficient funds to undertake its operating activities for a period of at least the next 12 months including any additional payments required in relation to its current exploration projects. The Group has considerable financial resources which will be sufficient to fund the Group's committed expenditure both operationally and on its exploration projects for the foreseeable future. However, as additional projects are identified and the Araguaia project moves towards production, additional funding will be required. The amount of additional funding is estimated without any certainty at the point of approval of these Financial Statements and the Group will be required to raise additional funds either via an issue of equity or through the issuance of debt. The Directors are confident that funds will be forthcoming if and when they are required.

The Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these Financial Statements.

2.5 Intangible Assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets, liabilities and contingent liabilities of the acquired subsidiary at the date of acquisition. Goodwill arising on the acquisition of subsidiaries is included in 'intangible assets'. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

(b) Exploration and evaluation assets

The Group recognises expenditure as exploration and evaluation assets when it determines that those assets will be successful in finding specific mineral resources. Expenditure included in the initial measurement of exploration and evaluation assets and which are classified as intangible assets relate to the acquisition of rights to explore, topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling and activities to evaluate the technical feasibility and commercial viability of extracting a mineral resource. Capitalisation of pre-production expenditure ceases when the mining property is capable of commercial production.

Exploration and evaluation assets arising on business combinations are included at their acquisition-date fair value in accordance with IFRS 3 (revised) 'Business combinations'. Other exploration and evaluation assets and all subsequent expenditure on assets acquired as part of a business combination are recorded and held at cost.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The assessment is carried out by allocating exploration and evaluation assets to cash generating units, which are based on specific projects or geographical areas.

Whenever the exploration for and evaluation of mineral resources in cash generating units does not lead to the discovery of commercially viable quantities of mineral resources or the Company has decided to discontinue such activities of that unit, the associated expenditures are written off to profit or loss.

2.6 Property, plant and equipment

All property, plant and equipment is stated at historic cost less accumulated depreciation. Historic cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

Depreciation is charged on a straight-line basis so as to write off the cost of assets, over their estimated useful lives, using the straight-line method, on the following bases:

Office equipment	25%
Vehicles and other field equipment	25% – 33%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains' in the Statement of Comprehensive Income.

2.7 Impairment of non-financial assets

Assets that have an indefinite useful life, such as goodwill or intangible exploration assets not ready to use, are not subject to amortisation and are tested annually for impairment. Intangible assets that are subject to amortisation and property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.8 Foreign currency translation

(a) Functional and presentation currency

Items included in the Financial Statements of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The functional currency of the UK and Isle of Man entities is Sterling and the functional currency of the Brazilian and Peruvian entities is Brazilian Real and Peruvian Nuevo Sol respectively. The Consolidated Financial Statements are presented in Pounds Sterling, rounded to the nearest pound, which is the Company's functional and Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where such items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(c) Group companies

The results and financial position of all the Group's entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(1) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(2) each component of profit or loss is translated at average exchange rates during the accounting period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(3) all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of monetary items receivable from foreign subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future are taken to other comprehensive income. When a foreign operation is sold, such exchange differences are recognised in profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.9 Financial assets

The Group classifies its financial assets in the foregoing categories: loans and receivables; and available-for-sale financial assets, as appropriate. The Group determines the classification of its financial assets at initial recognition, depending on the purpose for which the financial assets were acquired.

(a) Available-for-sale financial assets

Available-for-sale financial assets consist of equity investments that are neither classified as held for trading nor designated at fair value through profit or loss. After initial recognition, available-for-sale financial assets are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income in the available-for-sale reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the available-for-sale reserve to the Income Statement in finance costs. The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method, less impairment. The Group's loans and receivables comprise 'trade and other receivables' in the Statement of Financial Position.

Derecognition

A financial asset is derecognised when the rights to receive cash flows from the asset have expired.

2.10 Cash and cash equivalents

In the Statement of Cash Flows, cash and cash equivalents comprise cash at bank and in hand and demand deposits with banks and other financial institutions, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.11 Taxation

The tax credit or expense for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The charge for current tax is calculated on the basis of the tax laws enacted or substantively enacted by the end of the reporting period in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is accounted for using the liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax assets are recognised on tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to

control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax is calculated at the tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply to the period when the asset is realised or the liability is settled.

Deferred tax assets and liabilities are not discounted.

2.12 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.13 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

2.14 Operating leases

Leases of assets under which a significant amount of the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Operating lease payments are charged to the Income Statement on a straight-line basis over the period of the respective leases.

2.15 Share-based payments and incentives

The Group operates equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of employee services received in exchange for the grant of share options are recognised as an expense. The total expense to be apportioned over the vesting period is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period the Group revises its estimate of the number of options that are expected to vest.

It recognises the impact of the revision of original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

The fair value of goods or services received in exchange for shares is recognised as an expense.

2.16 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer, the Company’s chief operating decision-maker.

2.17 Finance income

Interest income is recognised using the effective interest method, taking into account the principal amounts outstanding and the interest rates applicable.

3 Financial risk management

3.1 Financial risk factors

The main financial risks to which the Group’s activities are exposed are liquidity and fluctuations on foreign currency. The Group’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group’s financial performance.

Risk management is carried out by the Board of Directors under policies approved at the quarterly Board meetings. The Board frequently discusses principles for overall risk management including policies for specific areas such as foreign exchange.

(a) Liquidity risks

In keeping with similar sized mineral exploration groups, the Group's continued future operations depend on the ability to raise sufficient working capital through the issue of equity share capital. The Group monitors its cash and future funding requirements through the use of cash flow forecasts.

All cash, with the exception of that required for immediate working capital requirements, is held on short-term deposit.

(b) Foreign currency risks

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Brazilian Real, US Dollar and the UK pound.

Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations that are denominated in a foreign currency. The Group holds a proportion of its cash in US Dollars and Brazilian Reals to hedge its exposure to foreign currency fluctuations and recognises the profits and losses resulting from currency fluctuations as and when they arise. The volume of transactions is not deemed sufficient to enter into forward contracts.

At 31 December 2014, if the US Dollar had weakened/strengthened by 5% against Pound Sterling and Brazilian Real with all other variables held constant, post tax loss for the year would have been approximately £15,641/£17,287 lower/higher mainly as a result of foreign exchange losses/gains on translation of US Dollar denominated bank balances.

(c) Interest rate risk

As the Group has no borrowings, it is not exposed to interest rate risk on financial liabilities. The Group's interest rate risk arises from its cash held on short-term deposit for which the Directors use a mixture of fixed and variable rate deposits. As a result, fluctuations in interest rates are not expected to have a significant impact on profit or loss or equity.

(d) Price risk

The Group is exposed to commodity price risk as a result of its operations. However, given the size and stage of the Group's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The Directors will revisit the appropriateness of this policy should the Group's operations change in size or nature. The Group's listed equity securities are susceptible to price risk arising from uncertainties about future values of the securities.

(e) Credit risk

Credit risk arises from cash and cash equivalents as well as exposure to joint venture partners including outstanding receivables. The Group maintains cash and short-term deposits with a variety of credit worthy financial institutions and considers the credit ratings of these institutions before investing in order to mitigate against the associated credit risk. Management does not expect any losses from non-performance by joint venture partners.

No debt finance has been utilised and if required this is subject to pre-approval by the Board of Directors. The amount of exposure to any individual counter party is subject to a limit, which is assessed by the Board.

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, in order to provide returns for shareholders and to enable the Group to continue its exploration and evaluation activities. The Group has no debt at 31 December 2014 and defines capital based on the total equity of the Group. The Group monitors its level of cash resources available against future planned exploration and evaluation activities and may issue new shares in order to raise further funds from time to time.

As indicated above, the Group holds cash reserves on deposit at several banks and in different currencies until they are required and in order to match where possible with the corresponding liabilities in that currency.

3.3 Fair value estimation

The carrying values of trade receivables and payables are assumed to be approximate to their fair values, due to their short-term nature. The fair value of contingent consideration is estimated by discounting the future contractual cash flows at the Group's current cost of capital of 7% based on the interest rate available to the Group for a similar financial instrument. As this is an observable input all fair value estimates fall within level 2.

4 Critical accounting estimates and judgements

The preparation of the Financial Statements in conformity with IFRSs 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 and the reported amount of expenses during the year. Actual results may vary from the estimates used to produce these Financial Statements.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant items subject to such estimates and assumptions include, but are not limited to:

4.1 Impairment of exploration and evaluation costs

Exploration and evaluation costs have a carrying value at 31 December 2014 of £20,499,389 (2013: £19,754,559). Management tests annually whether exploration projects have future economic value in accordance with the accounting policy stated in note 2.5. Each exploration project is subject to an annual review by either a consultant or senior company geologist to determine if the exploration results returned to date warrant further exploration expenditure and have the potential to result in an economic discovery. This review takes into consideration long-term metal prices, anticipated resource volumes and grades, permitting and infrastructure. In the event that a project does not represent an economic exploration target and results indicate there is no additional upside, a decision will be made to discontinue exploration. The Directors have reviewed the estimated value of each project prepared by management and consider a full impairment charge necessary for the Rio Maria licence, for which the impairment charge was £31,989. In 2013 the El Aguila Project was fully impaired, with a charge of £738,103 together with the Falcao Project, for which the impairment charge was £310,179.

4.2 Estimated impairment of goodwill

Goodwill has a carrying value at 31 December 2014 of £270,923 (2013: £287,378). The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.7.

Management has concluded that there is no impairment charge necessary to the carrying value of goodwill. See also note 9 to the Financial Statements.

4.3 Contingent consideration

Contingent consideration has a carrying value of £2,235,512 at 31 December 2014 (2013: £2,477,310). The contingent consideration arrangement requires the Group to pay the former owners of Teck Cominco Brasil S.A (subsequently renamed Araguaia Niquel Mineração Ltda) 50% of the tax effect on utilisation of the tax losses existing in Teck Cominco Brasil S.A at the date of acquisition. Under the terms of the acquisition agreement, tax losses that existed at the date of acquisition and which are subsequently utilised in a period greater than 10 years from that date are not subject to the contingent consideration arrangement.

The fair value of this potential consideration has been determined using the operating and financial assumptions in the cash flow model derived from the Pre-Feasibility Study published by the Group in March 2014 in order to calculate the ability to utilise the acquired tax losses, together with the timing of their utilisation. The Group has used discounted cash flow analysis to determine when it is anticipated that the tax losses will be utilised and any potential contingent consideration paid. These cash flows could be affected by upward or downward movements in several factors to include commodity prices, operating costs, capital expenditure, production levels, grades, recoveries and interest rates.

The carrying value of contingent consideration would not be affected were the operating cash flows to vary by as much as 50% from management's estimates.

4.4 Current and deferred taxation

The Group is subject to income taxes in numerous jurisdictions. Judgment is required in determining the worldwide provision for such taxes. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will affect the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred tax liabilities have been recognised on the fair value gains in exploration assets arising on the acquisitions of Araguaia Niquel Mineração Ltda (formerly Teck Cominco Brasil S.A) and Lontra Empreendimentos e Participações Ltda. A deferred tax asset has been recognised on acquisition of Araguaia Niquel Mineração Ltda for the utilisation of the available tax losses acquired. Should the actual final outcome regarding the utilisation of these losses be different from management's estimations, the Group may need to revise the carrying value of this asset.

4.5 Share-based payment transactions

The Group has made awards of options and warrants over its unissued share capital to certain Directors and employees as part of their remuneration package.

The valuation of these options and warrants involves making a number of critical estimates relating to price volatility, future dividend yields, expected life of the options and forfeiture rates. These assumptions have been described in more detail in note 16.

Were the actual number of options that vest to differ by 10% from management's estimates, the overall option charge would increase/ decrease by £11,156.

4.6 Other areas

Other estimates include but are not limited to employee benefit liabilities, future cash flows associated with assets, useful lives for depreciation and fair value of financial instruments.

5 Segmental reporting

The Group operates principally in the UK and Brazil, 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 relate to exploration and evaluation work. The reports used by the chief operating decision-maker are based on these geographical segments.

2014	**UK 2014 £**	**Brazil 2014 £**	**Other 2014 £**	**Total 2014 £**
Administrative expenses	**(848,454)**	**(456,832)**	**(6,402)**	**(1,311,688)**
Profit/(loss) on foreign exchange	**39,089**	**(85,453)**	**—**	**(46,364)**
Project and intangible fixed asset impairment	**—**	**(31,989)**	**—**	**(31,989)**
Loss from operations per reportable segment	**(809,365)**	**(574,274)**	**(6,402)**	**(1,390,041)**
Inter segment revenues	**—**	**677,635**	**—**	**677,635**
Depreciation charges	**(2,846)**	**(820)**	**—**	**(3,666)**
Additions to non-current assets	**—**	**(2,018,658)**	**—**	**(2,018,658)**
Reportable segment assets	**4,349,901**	**26,594,454**	**—**	**30,944,355**
Reportable segment liabilities	**2,348,686**	**2,424,498**	**—**	**4,773,184**

2013	UK 2013 £	Brazil 2013 £	Other 2013 £	Total 2013 £
Administrative expenses	(768,244)	(498,874)	(21,640)	(1,288,758)
Loss on foreign exchange	(59,916)	(89,283)	—	(149,199)
Project and intangible fixed asset impairment	—	(295,137)	(738,103)	(1,033,240)
Loss from operations per reportable segment	(828,160)	(883,294)	(759,743)	(2,471,197)
Inter segment revenues	—	511,766	65,740	577,506
Depreciation charges	(2,869)	(1,501)	—	(4,370)
Additions to non-current assets	—	(4,241,762)	—	(4,241,762)
Reportable segment assets	3,342,399	25,354,609	2,750	28,699,758
Reportable segment liabilities	2,544,042	2,416,813	—	4,960,855

Inter segment revenues are calculated and recorded in accordance with the underlying intra group service agreements.

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

	2014 £	2013 £
Loss from operations per reportable segment	**(1,390,041)**	(2,471,197)
Changes in fair value of contingent consideration (refer note 18)	**415,702**	46,940
Charge for share options granted	**(125,107)**	(171,277)
Finance income	**31,413**	47,451
Finance costs	**(173,903)**	(165,138)
Loss for the year from continuing operations	**(1,241,936)**	(2,713,221)

6 Operating loss

Loss from operations is stated after charging the following:

Group	**2014 £**	2013 £
Depreciation	**3,666**	4,370
Project and fixed asset impairment	**31,989**	1,033,240
Auditors' remuneration		
– Fees payable for the audit of Parent and consolidated financial statements	**30,000**	30,000

– Fees payable for audit related assurance services	**4,525**	7,500
– Fees payable for tax compliance	**2,380**	2,400
Operating lease charges	**64,153**	92,773

Project and fixed asset impairment costs in 2014 of £31,989 consist of the impairment charge on intangible assets attributable to the Rio Maria project. Project and fixed asset impairment costs in 2013 of £1,033,240 consist of the impairment charge on intangible assets attributable to the El Aguila and Falcao projects (refer note 9) of £738,103 and £310,179 respectively. A receipt of £15,042 (USD25,000) in connection with the signing of a purchase and sale agreement for the Falcao project in December 2013 was netted off against the impairment of that project so that the net impact on profit or loss of the impairment of Falcao amounted to £295,037 (see note 9 Intangible Assets).

7 Finance income and costs

Group	**2014** **£**	2013 £
Finance income:		
– Interest income on cash and short-term bank deposits	**31,413**	47,451
Finance costs:		
– Contingent consideration: unwinding of discount	**(173,903)**	(165,138)
Net finance costs	**(142,490)**	(117,687)

8 Taxation

Income tax expense

Group	**2014** **£**	2013 £
Analysis of tax charge		
Current tax charge		
– UK Corporation tax charge for the year	**—**	—
– Foreign tax	**—**	—
Current tax charge for the year	**—**	—
Deferred tax charge for the year	**—**	—
Tax on profit/(loss) for the year	**—**	—

Reconciliation of current tax

Group	**2014** **£**	2013 £
Loss before income tax	**(1,241,936)**	(2,713,221)
Current tax at 26.6% (2013: 23.1%)	**(330,757)**	(626,754)
Effects of:		
Expenses not deducted for tax purposes	**62,451**	370,226
Tax losses carried forward for which no deferred income tax asset was recognised – UK	**131,940**	207,143
Tax losses carried forward for which no deferred income tax asset was recognised – Brazil and Peru	**136,366**	49,385
Total tax	**—**	—

No tax charge or credit arises on the loss for the year.

The weighted average applicable tax rate of 26.6% used is a combination of the 21.5% effective standard rate of corporation tax in the UK, 34% Brazilian corporation tax and 30% Peruvian corporation tax. During 2013 the Brazil registered subsidiaries elected to adopt the Actual Profit system to determine income tax. As a result the losses incurred are eligible for tax purposes.

Deferred income tax

An analysis of deferred tax assets and liabilities is set out below.

Group	**2014** £	2013 £
Deferred tax assets		
– Deferred tax asset to be recovered after more than 12 months	**5,065,976**	5,373,634
	5,065,976	5,373,634
Deferred tax liabilities		
– Deferred tax liability to be settled after more than 12 months	**(2,201,778)**	(2,335,492)
	(2,201,778)	(2,335,492)
Deferred tax asset (net)	**2,864,198**	3,038,142

The gross movement on the deferred income tax account is as follows:

Group	**2014** £	2013 £
At 1 January	**3,038,142**	3,566,966
Exchange differences	**(173,944)**	(528,824)
At 31 December	**2,864,198**	3,038,142

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Group	Deferred tax liabilities Fair value gains £	Deferred tax assets Tax Losses £	Total £
At 1 January 2013	(2,742,012)	6,308,978	3,566,966
Exchange differences	406,520	(935,344)	(528,824)
At 31 December 2013	(2,335,492)	5,373,634	3,038,142
Exchange differences	133,714	(307,658)	(173,944)
At 31 December 2014	**(2,201,778)**	**5,065,976**	**2,864,198**

Deferred tax assets are recognised on tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable.

The Group has tax losses of approximately £18,190,000 (2013: £17,751,000) in Brazil and excess management charges of approximately £2,590,000 (2013: £2,387,000) in the UK available to carry forward against future taxable profits. With the exception of the deferred tax asset arising on acquisition of Araguaia Niquel Mineração Ltda (formerly Teck Cominco Brasil S.A.) in 2011, no deferred tax asset has been recognised in respect of tax losses because of uncertainty over the timing of future taxable profits against which the losses may be offset.

9 **Intangible assets**

Intangible assets comprise exploration and evaluation costs and goodwill. Exploration and evaluation costs comprise acquired and internally generated assets.

Group	Goodwill £	Exploration and evaluation costs £	Total £
Cost			
At 1 January 2013	342,765	20,074,974	20,417,739
Additions – internally generated	—	4,241,762	4,241,762
Impairments	—	(1,048,282)	(1,048,282)
Exchange rate movements	(55,387)	(3,513,895)	(3,569,282)
At 31 December 2013	287,378	19,754,559	20,041,937
Additions - internally generated	—	2,018,658	2,018,658
Impairments	—	(31,989)	(31,989)
Exchange rate movements	(16,453)	(1,241,841)	(1,258,294)
Net book amount at 31 December 2014	**270,925**	**20,499,387**	**20,770,312**

Impairment charges in 2014 of £31,989 were included in profit or loss as the intangible assets attributable to the Rio Maria project were written off. Impairment charges in 2013 of £1,048,282 were included in profit or loss as the intangible assets attributable to El Aguila and Falcao were written off following suspension of exploration activities at El Aguila and termination of the Falcao joint venture with AngloGold Ashanti plc. In December 2013 the Company signed a sale and purchase agreement with Falcao Mineradora Ltda, a Brazilian company. USD 25,000 (£15,042) was paid upon signature and offset against the £310,179 impairment charge in the year for Falcao. Further consideration of USD 140,000 shall be paid to the Company in the event that the Final Exploration Report for the Falcao project is accepted by the Brazilian Department of Mines ('DNPM').

(a) Exploration and evaluation assets

Impairment reviews for exploration and evaluation assets are carried out either on a project by project basis or by geographical area. The Group's exploration and evaluation projects are at various stages of exploration and development and are therefore subject to a variety of valuation techniques.

An operating segment-level summary of exploration and evaluation assets is presented below.

Group	**2014** **£**	2013 £
Brazil – Araguaia/Lontra/Vila Oito and Floresta	**20,499,387**	19,697,507
Brazil – Other	**—**	57,052
	20,499,387	19,754,559

The adjacent Araguaia/Lontra/Vila Oito and Floresta exploration sites ('the Araguaia Project') comprise a resource of a sufficient size and scale to allow the Company to create a significant single nickel project. For this reason, at the current stage of development, these two projects are viewed and assessed for impairment by management as a single cash generating unit.

In March 2014 a Canadian NI 43-101 compliant Pre-Feasibility Study ('PFS') was published by the Company regarding the Araguaia Project. The financial results and conclusions of the PFS clearly indicate the economic viability of the Araguaia Project. The Directors undertook an assessment of impairment through evaluating the results of the PFS and judged that no impairment was required with regards to the Araguaia Project.

Sensitivity to changes in assumptions

For the base case NPV_8 of the Araguaia Project of USD 519 million as per the PFS to be reduced to the book value of the Araguaia Project as at 31 December 2014, the discount rate applied to the cash flow model would need to be increased from 8% to 20%, or the assumed long-term real nickel price of USD 19,000 per tonne would need to be reduced to approximately USD13,975 per tonne.

Other early stage exploration projects in Brazil are at an early stage of development and no JORC/Canadian NI 43-101 or non-JORC/ Canadian NI 43-101 compliant resource estimates are available to enable value in use calculations to be prepared. The Directors therefore undertook an assessment of the following areas and circumstances which could indicate impairment:

> The Group's right to explore in an area has expired, or will expire in the near future without renewal.

> No further exploration or evaluation is planned or budgeted for, whether by the Company directly or through a joint venture agreement.

> A decision has been taken by the Board to discontinue exploration and evaluation in an area due to the absence of a commercial level of reserves.

> Sufficient data exists to indicate that the book value will not be fully recovered from future development and production.

(b) Goodwill

Goodwill arose on the acquisition of Lontra Empreendimentos e Participações Ltda in 2010. The Directors have determined the recoverable amount of goodwill based on the same assumptions used for the assessment of the Lontra exploration project detailed above. As a result of this assessment, the Directors have concluded that no impairment charge is necessary against the carrying value of goodwill.

10 Property, plant and equipment

Group	Vehicles and other field equipment £	Office equipment £	Total £
Cost			
At 1 January 2013	271,882	10,633	282,515
Additions	94,574	5,643	100,037
Disposals	(165,590)	—	(165,590)
Foreign exchange movements	(39,796)	(921)	(40,717)
At 31 December 2013	161,070	15,175	176,245
Foreign exchange movements	(8,981)	(445)	(9,426)
At 31 December 2014	**152,089**	**14,730**	**166,819**
Accumulated depreciation			
At 1 January 2013	134,730	2,221	136,951
Charge for the year	81,489	2,990	84,479
Disposals	(132,555)	—	(132,555)
Foreign exchange movements	(19,903)	(178)	(20,081)
At 31 December 2013	63,761	5,033	68,794
Charge for the year	46,452	3,475	49,927
Foreign exchange movements	(6,096)	(196)	(6,292)
At 31 December 2014	**104,117**	**8,312**	**112,429**
Net book amount as at 31 December 2014	**47,972**	**6,418**	**54,390**
Net book amount as at 31 December 2013	97,309	10,142	107,451

Depreciation charges of £46,261 (2013: £80,109) have been capitalised and included within intangible exploration and evaluation asset additions for the year. The remaining depreciation expense for the year ended 31 December 2014 of £3,666 (2013: £4,370) has been charged in 'administrative expenses' under 'Depreciation.'

Vehicles and other field equipment include the following amounts used to perform exploration activities:

	2014 £	2013 £
Cost	**152,089**	161,070
Accumulated depreciation	**(104,117)**	(63,761)
Net book amount	**47,972**	97,309

Company	Field equipment £	Office equipment £	Total £
Cost			
At 1 January 2013	4,208	4,853	9,061
Additions	—	2,550	2,550
At 31 December 2013 and 2014	**4,208**	**7,403**	**11,611**
Accumulated depreciation			
At 1 January 2013	1,505	2,101	3,606
Charge for the year	1,389	1,479	2,868
At 31 December 2013	2,894	3,580	6,474
Charge for the year	1,314	1,532	2,846
At 31 December 2014	**4,208**	**5,112**	**9,320**
Net book amount as at 31 December 2014	**—**	**2,291**	**2,291**
Net book amount as at 31 December 2013	1,314	3,823	5,137

11 Trade and other receivables

	Group		Company	
	2014 **£**	2013 £	**2014** **£**	**2013** **£**
Other receivables	**22,709**	62,127	**13,818**	**12,035**
Current portion	**22,709**	62,127	**13,818**	**12,035**

Trade and other receivables are all due within one year. The fair value of all receivables is the same as their carrying values stated above.

The carrying amounts of the Group and Company's trade and other receivables are denominated in the following currencies:

	Group		Company	
	2014 **£**	2013 £	**2014** **£**	2013 £
Brazilian Real	**4,922**	12,898	**—**	—
UK Pound	**17,787**	49,229	**13,818**	12,035
	22,709	62,127	**13,818**	12,035

As of 31 December 2014 the Group's and Company's other receivables of £22,709 (2013: £62,127) were fully performing.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group and Company do not hold any collateral as security.

12 Available for sale financial assets

	Group		Company	
	2014 **£**	2013 £	**2014** **£**	2013 £
Quoted equity shares	—	22,729	—	—
Total Current	—	22,729	—	—

The Group had investments in listed equity shares as at 31 December 2013. The fair value of these equity shares was determined by reference to published price quotations in an active market. As at 31 December 2013 all other financial assets carried at fair value in the Statement of Financial Position were categorised under Level 1 and denominated in Canadian Dollars. The investments delisted in the

year and have been reclassified as Level 3. The fair value of the investments is £nil as at 31 December 2014.

The following table presents the changes in Level 3 instruments for the year ended 31 December 2014:

	Assets held as available for sale
	2014
	£
Opening balance	—
Transfers into Level 3	**22,729**
Change in value recognised in other comprehensive income	**(22,729)**
	—

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets.

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

13 **Cash and cash equivalents**

	Group		**Company**	
	2014	2013	**2014**	2013
	£	£	**£**	£
Cash at bank and on hand	**4,982,219**	1,602,206	**4,160,235**	1,266,694
Short-term deposits	**48,749**	1,489,674	**48,749**	1,489,674
	5,030,968	3,091,880	**4,208,984**	2,756,368

The Group's cash at bank and short-term deposits are held with institutions with the following credit ratings (Fitch):

	Group		**Company**	
	2014	2013	**2014**	2013
	£	£	**£**	£
A	**4,279,358**	1,490,199	**4,160,235**	1,266,694
BBB-	**750,610**	1,601,681	**48,749**	1,489,674
	5,030,968	3,091,880	**4,208,984**	2,756,368

14 Share capital

Group and Company	**2014 Number**	**2014 £**	2013 Number	2013 £
Issued and fully paid				
Ordinary shares of 1p each				
At 1 January	**401,139,497**	**4,011,395**	360,046,170	3,600,462
Issue of ordinary shares	**91,287,608**	**912,876**	41,093,327	410,933
At 31 December	**492,427,105**	**4,924,271**	401,139,497	4,011,395

On 31 July 2014 a total of 50,000,000 shares were issued through a public offering in Canada, at a price of CAD 0.11 per share and a private placement was closed for a total of 41,287,608 shares, at a price of £0.06 per share, to raise £5,447,265 before expenses. On 11 June 2013, 41,093,327 ordinary

shares of 1p each were issued fully paid for cash consideration at 7.5 pence per share to raise £3.1 million before expenses.

15 Share premium

Group and Company	**2014** **£**	2013 £
At 1 January	**26,997,998**	24,384,527
Premium arising on issue of ordinary shares	**4,564,389**	2,671,066
Issue costs	**(467,017)**	(57,595)
At 31 December	**31,095,370**	26,997,998

16 Share-based payments

The Directors have discretion to grant options to the Group employees to subscribe for Ordinary shares up to a maximum of 10% of the Company's issued share capital. The options are exercisable two years from the date of grant and lapse on the tenth anniversary of the date of grant or the holder ceasing to be an employee of the Group. Neither the Company nor the Group has any legal or constructive obligation to settle or repurchase the options in cash.

Movements on number of share options and their related exercise price are as follows:

	Number of options 2014 £	**Weighted average exercise price 2014 £**	Number of options 2013 £	Weighted average exercise price 2013 £
Outstanding at 1 January	**25,860,000**	**0.148**	26,730,000	0.138
Forfeited	**(2,010,000)**	**0.151**	(870,000)	0.154
Granted	**14,450,000**	**0.073**	—	—
Outstanding at 31 December	**38,300,000**	**0.119**	25,860,000	0.148
Exercisable at 31 December	**23,850,000**	**0.148**	22,360,000	0.147

The options outstanding at 31 December 2014 had a weighted average remaining contractual life of 7.53 years (2013: 7.55 years).

The fair value of the share options was determined using the Black-Scholes valuation model.

The parameters used are detailed below.

Group and Company	**2014 options**	2012 options	2011 options	2010 options	2009 options
Date of grant or reissue	**09/05/2014**	24/09/2012	21/09/2011	17/11/2010	25/09/2009
Weighted average share price	**6.42 pence**	9.43 pence	13.94 pence	14.0 pence	8.00 pence
Weighted average exercise price	**7.25 pence**	15.40 pence	15.40 pence	15.50 pence	9.5 pence
Expiry date	**09/05/2024**	24/09/2022	21/09/2021	17/11/2020	01/09/2019
Options granted	**14,450,000**	3,500,000	14,380,000	10,100,000	4,050,000
Volatility	**17.3%**	14.2%	17%	17%	50%
Dividend yield	**Nil**	Nil	Nil	Nil	Nil
Option life	**10 years**	10 years	10 years	10 years	10 years
Annual risk free interest rate	**2.83%**	2.50%	2.50%	2.50%	3.3%
Forfeiture discount	**—**	—	—	—	—
Marketability discount	**5%**	5%	5%	5%	5%
Total fair value of options granted	**£256,786**	£29,315	£404,832	£313,228	£107,932

The expected volatility is based on historical volatility for the six months prior to the date of grant. The risk free rate of return is based on zero yield government bonds for a term consistent with the option life.

The range of option exercise prices is as follows:

Range of exercise prices (£)	**2014 Weighted average exercise price (£)**	**2014 Number of shares**	**2014 Weighted average remaining life expected (years)**	**2014 Weighted average remaining life contracted (years)**	2013 Weighted average exercise price (£)	2013 Number of shares	2013 Weighted average remaining life expected (years)	2013 Weighted average remaining life contracted (years)
0–0.1	**0.076**	**17,200,000**	**8.65**	**8.65**	0.095	2,850,000	4.0	6.0
0.1–0.2	**0.154**	**21,100,000**	**6.63**	**6.63**	0.133	23,010,000	6.6	7.6

17 Other reserves

Group	Available for sale reserve £	Merger reserve £	Translation reserve £	Other reserve £	Total £
At 1 January 2013	(55,291)	10,888,760	(4,346,470)	(1,048,100)	5,438,899
Other comprehensive income	(174,985)	—	—	—	(174,985)
Currency translation differences	—	—	(4,124,364)	—	(4,124,364)
At 31 December 2013	(230,276)	10,888,760	(8,470,834)	(1,048,100)	1,139,550
Other comprehensive income	(22,729)	—	—	—	(22,729)
Currency translation differences	—	—	(1,438,422)	—	(1,438,422)
At 31 December 2014	**(253,005)**	**10,888,760**	**(9,909,256)**	**(1,048,100)**	**(321,601)**

Company	Merger reserve £	Total £
At 1 January 2013 and 31 December 2013	10,888,760	10,888,760
At 1 January 2014 and 31 December 2014	**10,888,760**	**10,888,760**

The other reserve as at 31 December 2014 arose on consolidation as a result of merger accounting for the acquisition of the entire issued share capital of Horizonte Exploration Limited during 2006 and represents the difference between the value of the share capital and premium issued for the acquisition and that of the acquired share capital and premium of Horizonte Exploration Limited.

Currency translation differences relate to the translation of Group entities that have a functional currency different from the presentation currency (refer note 2.8c).

18 Trade and other payables

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Non-current				
Contingent consideration	**2,235,512**	2,477,310	**2,235,512**	2,477,310
	2,235,512	2,477,310	**2,235,512**	2,477,310
Current				
Trade and other payables	**28,380**	11,632	**3,239**	6,203
Amounts due to related parties (refer note 21)	**—**	—	**413,930**	413,930
Social security and other taxes	**27,303**	28,322	**15,040**	13,000
Accrued expenses	**280,211**	108,099	**69,951**	42,100
	335,894	148,053	**502,160**	475,233
Total trade and other payables	**2,571,406**	2,625,363	**2,737,672**	2,952,543

Trade and other payables include amounts due of £204,066 (2013: £72,694) in relation to exploration and evaluation activities.

Contingent consideration

The fair value of the potential contingent consideration arrangement was estimated at the acquisition date according to when future taxable profits against which the tax losses may be utilised were anticipated to arise. The fair value estimates were based on the current rates of tax on profits in Brazil of 34%. A discount factor of 7.0% was applied to the future dates at which the tax losses will be utilised and consideration paid.

As at 31 December 2014, there was a finance expense of £173,903 (2013: £165,138) recognised in finance costs within the statement of comprehensive income in respect of the contingent consideration arrangement, as the discount applied to the contingent consideration at the date of acquisition was unwound.

At 31 March 2014, Management reassessed the fair value of the potential contingent consideration in accordance with the Group accounting policy. The cash flow model used to estimate the contingent consideration was adjusted, to take into account changed assumptions in the timing of cash flows as derived from the Pre-Feasibility Study as published by the Group in March 2014. The key assumptions underlying the cash flow model are unchanged as at 31 December 2014. The change in the fair value of contingent consideration has generated a credit to profit or loss of £415,702 for the year ended 31 December 2014 due to exchange rate changes in Management's assumptions and in the functional currency in which the liability is payable. During 2013, the change in fair value of £46,940 was due to exchange rate changes.

19 Dividends

No dividend has been declared or paid by the Company during the year ended 31 December 2014 (2013: nil).

20 Earnings per share

(a) Basic

The basic loss per share of 0.283p (2013 loss per share: 0.709p) is calculated by dividing the loss attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year.

Group	**2014** **£**	2013 £
Loss attributable to owners of the parent	**(1,241,936)**	(2,713,221)
Weighted average number of ordinary shares in issue	**439,259,597**	382,737,815

(b) Diluted

The basic and diluted earnings per share for the years ended 31 December 2014 and 31 December 2013 are the same as the effect of the exercise of share options would be anti-dilutive.

Details of share options that could potentially dilute earnings per share in future periods are set out in note 16.

21 Related party transactions

The following transactions took place with subsidiaries in the year:

A fee totalling £202,045 (2013: £183,241) was charged to HM do Brazil Ltda, £nil (2013: £64,740) to Minera El Aguila SAC and £475,589 (2013: £368,344) to Araguaia Niquel Mineração Ltda by Horizonte Minerals Plc in respect of consultancy services provided and funding costs. In 2013 the balance due from HM do Brasil Ltda of £554,372, from Minera El Aguila SAC of £1,283,978, from HM Brazil (IOM) Ltd of £2,000,000, to PMA Geoquimica Ltda of £111,016 and from Brazil Mineral Holdings Ltd of £536,867 were impaired through profit or loss.

Amounts totalling £2,076,925 (2013: £3,828,388) were lent to HM Brazil (IOM) Ltd, HM do Brasil Ltda, Araguaia Niquel Mineraçao Ltda, PMA Geoquimica Ltda, Minera El Aguila SAC and Minera El Cotahuasi SAC to finance exploration work during 2014, by Horizonte Minerals Plc. Interest is charged at an annual rate of 4% on balances outstanding during the year.

Balances with subsidiaries at the year end were:

Company	**2014** **Assets** **£**	**2014** **Liabilities** **£**	2013 Assets £	2013 Liabilities £
HM do Brasil Ltda	274,678	—	—	—
Minera El Aguila SAC	3,848	—	—	—

HM Brazil (IOM) Ltd	4,493,680	—	4,078,148	—
Horizonte Nickel (IOM) Ltd	26,916,381	—	25,158,763	—
Araguaia Niquel Mineração Ltda	3,478,592	—	2,687,382	—
Horizonte Minerals (IOM) Ltd	253,004	—	253,004	—
Horizonte Exploration Ltd	—	413,930	—	413,930
Total	35,420,183	413,930	32,177,297	413,930

All Group transactions were eliminated on consolidation.

On 31 July 2014 a total of 50,000,000 shares were issued through a public offering in Canada, at a price of CAD 0.11 per share and a private placement was closed for a total of 41,287,608 shares, at a price of £0.06 per share, to raise £5,447,265 before expenses. As part of this private placement, Teck Resources Limited subscribed for 18,115,942 shares representing 43.9 percent of the private placement and Henderson Global Investors subscribed for 8,333,333 shares, representing 20.2 percent of the private placement. By reason of their existing shareholdings in the Company, the participation of Teck Resources Limited and Henderson Global Investors in the private placement each constitute a related party transaction under AIM Rule 13 of the AIM Rules for Companies.

On 11 June 2013, 41,093,327 ordinary shares of 1p each were issued fully paid for cash consideration at 7.5 pence per share to raise £3.1 million before expenses. As part of this private placement, Teck Resources Limited subscribed for 20,000,000 shares representing 48.7 percent of the placing and Henderson Global Investors subscribed for 12,133,329 shares, representing 29.5 percent of the placing. By reason of their existing shareholdings in the Company, the participation of Teck Resources Limited and Henderson Global Investors in the private placement each constitute a related party transaction under AIM Rule 13 of the AIM Rules for Companies.

On 27 June 2013 the Company signed an agreement for an £8 million Equity Financing Facility (‘EFF’) with Darwin Strategic Limited (‘Darwin’), a majority owned subsidiary of Henderson Global Investors’ Volantis Capital. The EFF agreement with Darwin provides Horizonte with an equity line facility which, subject to certain conditions and restrictions, can be drawn on any time over 36 months. The floor subscription price in relation to each draw down is set at the discretion of the Company. Horizonte is under no obligation to make a draw down and there are no penalty fees if the Company does not use the facility.

22 Ultimate controlling party

The Directors believe there to be no ultimate controlling party.

23 Expenses by nature

Group	**2014** **£**	2013 £
Staff costs	**680,080**	228,505
Indemnity for loss of office	**29,227**	77,847
Exploration related costs expensed (excluding staff costs)	**166,866**	188,438
Charge for share options granted	**125,107**	171,277
Depreciation (note 10)	**3,666**	4,370
Loss on foreign exchange	**46,364**	149,199
Change in fair value of contingent consideration	**(415,702)**	(46,940)
Impairments of intangible fixed assets	**31,989**	1,033,240
Other expenses	**431,849**	789,598
Total operating expenses	**1,099,446**	2,595,534

24 Directors’ remuneration

Group 2014	Basic salary and fees £	Other benefits £	Discretionary performance related bonus £	Total £

Non-Executive Directors				
Alexander Christopher	—	—	—	—
David Hall	**44,008**	—	—	**44,008**
William Fisher	**24,000**	—	—	**24,000**
Allan Walker	**24,000**	—	—	**24,000**
Owen Bavinton	**24,000**	—	—	**24,000**
Executive Directors				
Jeremy Martin	**146,000**	**45,754**	**65,000**	**256,754**
	364,000	**45,754**	**65,000**	**372,762**

Group 2013	Basic salary and fees £	Other benefits £	Discretionary performance related bonus £	Total £
Non-Executive Directors				
Alexander Christopher	—	—	—	—
David Hall	**47,870**	—	—	**47,870**
William Fisher	**24,000**	—	—	**24,000**
Allan Walker	**24,000**	—	—	**24,000**
Owen Bavinton	**24,000**	—	—	**24,000**
Executive Directors				
Jeremy Martin	**146,000**	**45,754**	—	**191,754**
	265,870	**45,754**	—	**311,624**

The Company does not operate a pension scheme. Included in other benefits for the year of £45,754 (2013: £45,754) are contributions to a Defined Contribution pension plan held by Mr Jeremy Martin of £44,313 (2013: £44,313). The bonus paid to Mr Martin in 2014 of £65,000 (2013: £nil) was in respect of delivery of the Pre-Feasibility Study.

25 Employee benefit expense (including directors)

Group	**2014** £	2013 £
Wages and salaries	**916,650**	999,956
Social security costs	**266,136**	286,990
Indemnity for loss of office	**29,227**	77,847
Share options granted to Directors and employees (note 16)	**125,107**	171,277
	1,337,120	1,536,070
Average number of employees including Directors	**31**	43

Employee benefit expenses includes £502,706 (2013: £1,058,441) of costs capitalised and included within intangible non-current assets. In 2014 no employee benefit expenses have been reimbursed by joint venture partners (2013: £nil).

Share options granted include costs of £53,379 (2013: £101,918) relating to Directors.

26 Investments

Company	**2014** £	2013 £
Shares in Group undertakings	**2,348,042**	2,348,042
Loans to Group undertakings	**35,420,183**	32,177,297
	37,768,225	34,525,339

Investments in Group undertakings are stated at cost.

On 23 March 2006 the Company acquired the entire issued share capital of Horizonte Exploration Limited by means of a share for share exchange; the consideration for the acquisition was 21,841,000 ordinary shares of 1 penny each, issued at a premium of 9 pence per share. The difference between the total consideration and the assets acquired has been credited to other reserves.

27 Commitments

Operating lease commitments

The Group leases office premises under cancellable and non-cancellable operating lease agreements. The cancellable lease terms are up to two years and are renewable at the end of the lease period at market rate. The leases can be cancelled by payment of up to three months rental as a cancellation fee. The lease payments charged to profit or loss during the year are disclosed in note 6.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

Group	**2014** £	2013 £
Not later than one year	**22,201**	9,849
Later than one year and no later than five years	**—**	—
Total	**22,201**	9,849

Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

Group	**2014** £	2013 £
Intangible assets	**7,004**	421,051

Capital commitments relate to contractual commitments for metallurgical, economic and environmental evaluations by third parties. Once incurred these costs will be capitalised as intangible exploration asset additions.

Other Commitments

On 12 January 2012 the Company signed an option agreement with Anglo Pacific Group plc ('Anglo Pacific') for a future Net Smelter Royalty ('NSR'). The option was exercisable by Anglo Pacific upon completion of a Pre-Feasibility Study on the site where they would pay Horizonte USD 12.5 million and receive a NSR. The NSR would 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 was fixed at a minimum rate of 1.1% for production of 50,000 tonnes per annum and above. The Pre-Feasibility Study was completed in March 2014 and Anglo Pacific elected not to exercise its option in regard of a future NSR. The option agreement with Anglo Pacific thus lapsed during 2014.

28 Contingencies

The Group has received a claim from various trade union organisations in Brazil regarding outstanding membership fees due in relation to various subsidiaries within the Group. Some of these claims relate to periods prior to the acquisition of the relevant subsidiary and would be covered by warranties granted by the previous owners at the date of sale. The Directors are confident that no amounts are due in relation to these proposed membership fees and that the claims will be unsuccessful. No subsequent actions, claims or communications from the various trade union organisations have been received subsequent to the requests for payment. As a result, no provision has been made in the Financial Statements for the year ended 31 December 2014 for amounts claimed. Should the claim be successful, the maximum amount payable in relation to fees not subject to the warranty agreement would be approximately £90,000.

In 2013 the Group received an infraction notice from the Brazilian Environmental Agency's (IBAMA) district office in Conceição do Araguaia in connection with carrying out drilling activities in 2011 without the relevant permits. Drilling equipment was furthermore impounded on the Group's property. The Group strongly believes that it operated with all necessary permits and has initiated legal proceedings to overturn the impounding of the drilling equipment.The Group is also concurrently in discussions with the authorities aimed at cancelling the injunction and its associated fine of approximately £33,000.

In August 2014 the Group received a claim from a former employee in Brazil with regard to amounts allegedly due under the terms of his employment. The Group is defending the claim and it is not currently practicable to estimate the extent of any liability that may arise.

In December 2014 the Group received a writ from the State Attorney in Conceiçao do Araguaia regarding alleged environmental damages caused by drilling activities in 2011. To ensure proper environmental stewardship, the Group conducts certified baseline studies prior to all drill programmes and ensures that areas explored are properly maintained and conserved in accordance with local environmental legislation. After drilling has occurred, drill sites and access routes are rehabilitated to equal or better conditions and evidence is retained to demonstrate that such

rehabilitation work has been completed. The Group has filed a robust defence in January 2015 and no substantive financial claim has currently been made against the Group under the terms of the writ. The Group is working towards having the writ withdrawn in due course and as a result no provision has been made in the Financial Statements for the year ended 31 December 2014.

29 Parent Company Statement of Comprehensive Income

As permitted by section 408 of the Companies Act 2006, the statement of comprehensive income of the Parent Company is not presented as part of these Financial Statements. The Parent Company's loss for the year was £226,045 (2013: £4,378,222 loss).

30 Events after the reporting date

No significant events have occurred since the reporting date.

*** * ENDS * ***

About Horizonte Minerals:

Horizonte Minerals plc is an AIM and TSX-listed nickel development company focussed in Brazil, which wholly owns the advanced Araguaia nickel laterite project located to the south of the Carajas mineral district of northern Brazil.

The Company is developing Araguaia as the next major nickel mine in Brazil, with targeted production by late 2017 early 2018.

The Project, which has excellent infrastructure in place including rail, road, water and power, has a current NI 43-101 compliant Mineral Resource of 71.98Mt grading 1.33% Ni (Indicated) and 25.4Mt at 1.21% Ni (Inferred) at a 0.95% nickel cut-off; included in Resources is a Probable Reserve base of 21.2Mt at 1.66%Ni.

A Pre-Feasibility Study has been completed which underpins the robust economics of developing a mine with a targeted 15,000tpa nickel in ferro-nickel output with a 20% Fe-Ni product over a 25 year mine life utilising the proven pyrometallurgical process of Rotary Kiln Electric Furnace technology. At these production rates, the project has a post-tax NPV of US$519m at a discount rate of 8% and an IRR of 20%, with a capital cost of US$582m which puts this project in the lowest quartile of the cost curve.

Horizonte has a strong shareholder structure including Teck Resources Limited 38.5%, Henderson Global Investors 14%, Anglo Pacific Group 7%.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

Except for statements of historical fact relating to the Company, certain information contained in this press release constitutes "forward-looking information" under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the potential of the Company's current or future property mineral projects; the success of exploration and mining

activities; cost and timing of future exploration, production and development; the estimation of mineral resources and reserves and the ability of the Company to achieve its goals in respect of growing its mineral resources; and the realization of mineral resource and reserve estimates. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, and are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: exploration and mining risks, competition from competitors with greater capital; the Company's lack of experience with respect to development-stage mining operations; fluctuations in metal prices; uninsured risks; environmental and other regulatory requirements; exploration, mining and other licences; the Company's future payment obligations; potential disputes with respect to the Company's title to, and the area of, its mining concessions; the Company's dependence on its ability to obtain sufficient financing in the future; the Company's dependence on its relationships with third parties; the Company's joint ventures; the potential of currency fluctuations and political or economic instability in countries in which the Company operates; currency exchange fluctuations; the Company's ability to manage its growth effectively; the trading market for the ordinary shares of the Company; uncertainty with respect to the Company's plans to continue to develop its operations and new projects; the Company's dependence on key personnel; possible conflicts of interest of directors and officers of the Company, and various risks associated with the legal and regulatory framework within which the Company operates.

Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.