

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or what action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised and regulated under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser. If you have sold or otherwise transferred all of your Ordinary Shares, please send this document and accompanying Form of Proxy at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom you have sold or transferred your shares for delivery to the purchaser or transferee. Such documents should, however, not be forwarded to or transmitted into any jurisdiction outside of the UK. Any failure to comply with such restriction may constitute a violation of the securities laws of any such jurisdiction. If you have sold only part of your holding of Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

The issue of Placing Shares pursuant to the Placing will not constitute an offer to the public requiring an approved prospectus under section 85 of the Financial Services and Markets Act 2000 (as amended) and accordingly this document does not constitute a prospectus for the purposes of the Prospectus Rules and has not been prepared in accordance with the Prospectus Rules, nor does this document constitute an admission document drawn up in accordance with the AIM Rules. The London Stock Exchange has not examined or approved the contents of this document.

finnCap, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority and is a member of the London Stock Exchange, is the Company's nominated adviser and a joint broker to the Company for the purposes of the AIM Rules in connection with the proposed Placing and Admission. Shard, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority and is a member of the London Stock Exchange, is a joint broker to the Company for the purposes of the AIM Rules in connection with the proposed Placing and Admission. NRG Capital is authorized and regulated in the United Kingdom by the Financial Conduct Authority and acting as financial adviser in connection with the proposed Placing and Admission. finnCap, Shard and NRG Capital are acting exclusively for the Company and are not and shall not be responsible to any other person for providing the protections afforded to their clients nor for providing advice in relation to the contents of this document or any other matter referred to herein. Neither finnCap, Shard or NRG Capital have authorised the contents of this document for any purpose and, without limiting the statutory rights of any person to whom this document is issued, no representation or warranty, express or implied, is made by finnCap or Shard as to any of the contents or the completeness of this document.

The Existing Shares are admitted to trading on AIM and are listed on the TSX. Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. The TSX has conditionally approved the Placing subject to fulfilling all of the listing requirements of the TSX. It is expected that Admission will become effective and that dealings in the Placing Shares will commence at 8.00 a.m. on 30 November 2016. The issuance of the Placing Shares pursuant to the Subscription Agreement is expected to occur on or about 2 December 2016. The Placing Shares will, on Admission, rank *pari passu* in all respects with the Existing Shares, and will rank in full for all dividends and other distributions declared, made or paid on Ordinary Shares after Admission.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The London Stock Exchange has not itself examined or approved the contents of this document. Prospective investors and Shareholders should read this document in its entirety.

HORIZONTE MINERALS PLC

(incorporated and registered in England and Wales under the Companies Act 2006 with registered no:05676866)

Conditional Placing of 450,000,000 new Ordinary Shares at 2 pence per share and Notice of General Meeting

Bookrunner



Co-Broker



Financial Adviser



You should read the whole of this document. Your attention is drawn to the letter from the Chairman of Horizonte Minerals Plc set out in this document which contains, amongst other things, the Directors' unanimous recommendation that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below.

Notice of a General Meeting of Horizonte Minerals Plc, to be held at the offices of finnCap, 60 New Broad Street, London, EC2M 1JJ at 10.00 a.m. on 29 November 2016, is set out at the end of this document. The Form of Proxy for use at the General Meeting accompanies this document and, to be valid, should be completed, signed and returned in accordance with the instructions set out thereon as soon as possible but, in any event, so as to reach the Company's registrars, Computershare Investor Services (Ireland) Limited by no later than 10.00 am. on 25 November 2016 (or, if the General Meeting is adjourned, 48 hours before the time fixed for the adjourned meeting). Completion and return of a Form of Proxy will not prevent a Shareholder from attending the General Meeting

and voting in person. Within Canada, to be effective, the enclosed Form of Proxy as sent to registered holders must be mailed so as to reach or be deposited with Computershare Investor Services Inc., Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1. Non-registered holders may register their vote either on-line through www.proxyvote.com using the 16-digit control number that is indicated on the Voting Instruction Form (VIF), or by telephone voting – English – 1-800-474-7493 or French 1-800-474-7501, or by mail using the business reply envelope provided. Forms of Proxy from registered holders or on-line, telephone or postal voting from non-registered holders must be received not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the General Meeting or any adjournments or postponements thereof. Information on how non-registered Shareholders may vote their Ordinary Shares is provided elsewhere in this document.

To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the issuer's agent (ID number 3RA50) by no later than 10.00 a.m. on 25 November (or, if the General Meeting is adjourned, 48 hours before the time appointed for holding the General Meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. The appointment of a proxy using the CREST electronic proxy appointment service will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish.

This document is being supplied to you solely for your information and may not be reproduced, re-distributed or passed to any other person or published in whole or in part for any purpose.

A copy of this document is available at the Company's website at www.horizonteminerals.com and on its issuer profile on SEDAR at www.sedar.com. Please note the "no incorporation of website information" notice set out on page 5.

IMPORTANT NOTICE

Cautionary statement regarding forward-looking statements, forward-looking information and other cautionary notes.

Except for statements of historical fact relating to the Company, certain information contained in this document constitutes forward-looking statements and “forward-looking information” under applicable Canadian securities legislation. Forward-looking statements and forward-looking information includes, but is not limited to, statements derived from the PFS, including, without limitation: estimated capital costs, operating costs, and other various other costs, estimated net present value, initial rate of return, anticipated construction period, expected LOM, production schedule, recoveries, estimated mineral reserves and mineral resources, expected sensitivity to prices, expected production and other economic and operational parameters inherent to a pre-feasibility study for a mineral project; statements with respect to targeted milestones going forward, including, without limitation, the expected timing for a definitive feasibility study, commencement of construction, and the timing of exploration activities. In addition, this document includes forward-looking statements with respect to the General Meeting, including the passing of the Resolutions; completion of the Placing, as contemplated or at all, and the Admission; use of proceeds from the Placing; potential of the Company’s current or future mineral projects; the success of exploration and mining activities; and cost and timing of future exploration, production and development. 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.

The Company undertakes no obligation to update forward-looking information except as required by applicable law or the AIM Rules. Such forward-looking information represents management's and/or its Qualified Persons' best judgment based on information currently available. No forward-looking statement can be guaranteed and actual future results may vary materially. Accordingly, readers are advised not to place undue reliance on forward-looking statements or information.

This document includes geographic and economic information, industry data and market share information obtained from independent industry publications, market research and analyst reports, surveys and other publicly available sources. Although the Company believes these sources to be generally reliable, geographic and economic information, industry data and market share information is subject to

interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. Accordingly, the accuracy and completeness of this data is not guaranteed. The Company has not independently verified any of the data from third party sources referred to in this document nor ascertained the underlying assumptions relied upon by such sources.

Due to the uncertainty that may be attached to inferred mineral resource estimates, it cannot be assumed that all or any part of an inferred mineral resource estimate will be upgraded to an indicated or measured mineral resource estimate as a result of continued exploration. Confidence in an inferred mineral resource estimate is insufficient to allow meaningful application of the technical and economic parameters to enable an evaluation of economic viability sufficient for public disclosure, except in certain limited circumstances set out in NI 43-101. The economic analysis contained in the Report is based on probable mineral reserve estimates.

Unless otherwise indicated, the scientific and technical information contained in this document has been reviewed approved and verified by Francis Roger Billington B.Sc. (Hons) P.Geo. (APGO), a consultant to the Company and co-author of the Report, and a Qualified Person.

For readers to fully understand the scientific and technical information in this document, they should read the Report in its entirety on the Company's issuer profile on SEDAR at www.sedar.com, including all qualifications, assumptions and exclusions that relate to the PFS. The Report is intended to be read as a whole, and sections should not be read or relied upon out of context.

This document refers to expected cash cost, free cash flow, and certain other non-IFRS measures. These measurements have no standardized meaning under IFRS and may not be comparable to similar measures presented by other companies. These measurements are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Notice to overseas persons

The distribution of this document and/or the Form of Proxy in certain jurisdictions may be restricted by law and therefore persons into whose possession these documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The availability of Placing Shares under the terms of the Placing to persons who are outside the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located.

This document does not constitute an offer to buy or subscribe for, or the solicitation of an offer to buy or subscribe for, Placing Shares in any jurisdiction in which such offer or solicitation is unlawful. The Placing Shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under the securities laws of any state of the United States nor do they qualify for distribution under any of the relevant securities laws of Canada, Australia, the Republic of Ireland, the Republic of South Africa or Japan. Accordingly, the Placing Shares may not, directly or indirectly, be offered, sold or taken up, delivered or transferred in or into the United States, Canada, other than in accordance with applicable law, Australia, the Republic of Ireland, the Republic of South Africa or Japan or any other territory outside the United Kingdom. The distribution of this document outside the United Kingdom may be restricted by law and therefore persons outside the United Kingdom into whose possession this document has come should inform themselves and observe any restrictions as to the Placing or the distribution of this document.

The Placing Shares have not been approved or disapproved by the Canadian securities regulators, the US Securities and Exchange Commission, or any other securities commission or regulatory authority of the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Placing Shares nor have they approved this document or confirmed the accuracy or adequacy of the information contained in this document. Any representation to the contrary is a criminal offence in the US.

Presentation of financial information

Certain data in this document, including financial, statistical and operational information has been rounded but not to a material extent.

No incorporation of website information

The contents of the Company's website or any hyperlinks accessible from the Company's website do not form part of this document and Shareholders should not rely on them.

Defined terms and references

Certain terms used in this document are defined and certain technical and other terms used in this document are explained at the sections of this document under the headings "Definitions" and "Glossary of Technical Terms".

All times referred to in this document and the Form of Proxy are, unless otherwise stated, references to London time.

Words importing the singular shall include the plural and *vice versa*, and words importing the masculine gender shall include the feminine or neutral gender.

CONTENTS

	<i>Page</i>
Placing Statistics	7
Expected Timetable of Principal Events	7
Definitions	8
Glossary of Technical Terms	11
Letter from the Chairman	12
Notice of General Meeting	20
General Information Respecting the General Meeting Pursuant to Applicable Canadian Securities Laws	22

PLACING STATISTICS

Number of Existing Shares	721,934,300
Number of Placing Shares being issued by the Company pursuant to the Placing	450,000,000
Enlarged Issued Share Capital	1,171,934,300
Placing Price	2 pence
Total proceeds of the Placing	£9,000,000
Estimated expenses of the Placing	£0.48m
Estimated net proceeds of the Placing receivable by the Company	£8,520,000
Placing Shares as a percentage of the Enlarged Issued Share Capital	38.4 per cent.
Market capitalisation of the Company at Admission at the Placing Price	£23,438,686

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2016
Latest time and date for receipt of Forms of Proxy and CREST voting instructions for the General Meeting	10.00 a.m. on 25 November
Date and time of General Meeting	10.00 a.m. on 29 November
Admission and commencement of dealings in Placing Shares	8.00 a.m. on 30 November
Expected date for CREST accounts to be credited in respect of Placing Shares in uncertificated form	30 November
Expected date for dispatch of definitive share certificates for Placing Shares in certificated form	14 December

Note: each of the times and dates above is a reference to time in London and is subject to change.

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

'Admission'	the admission of the Placing Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules
'AIM'	the AIM market operated by the London Stock Exchange
'AIM Rules'	the AIM Rules for Companies as published by the London Stock Exchange from time to time
'Araguaia Project'	the Company's Araguaia nickel saprolite projects located in the Carajás mining district in the State of Pará in northern Brazil comprising both HZMA and GAP
'Base Case'	the economic model for mining at a rate of 0.9Mt/a using an expected price of \$12,000/t of Ni, as used in the PFS
'Board' or 'Directors'	the board of directors of the Company, whose names are set out at page 12 of this document, or any duly authorised committee thereof
'certificated form' or 'in certificated form'	the description of a share or security which is not in uncertificated form (that is, not in CREST)
'CIM Definition Standards'	the CIM Definition Standard on Mineral Resources and Reserves which establish definitions and guidance on the definitions for mineral resources, mineral reserves, and mining studies used in Canada
'Companies Act'	the Companies Act 2006
'Company'	Horizonte Minerals Plc, a company incorporated and registered in England and Wales under the Companies Act 2006 with registered number 05676866
'CREST'	the relevant system operated by Euroclear UK & Ireland Limited which facilitates the transfer of title to shares in uncertificated form
'Enlarged Issued Share Capital'	the issued share capital of the Company immediately following Admission and issuance of the Placing Shares pursuant to the Subscription Agreement as enlarged by the Placing
'Exchange Rate'	means the noon rate for the British pound sterling in terms of Canadian dollars of £1.00 = C\$1.6293 and for the Canadian dollar in terms of British pound sterling of C\$1.00 = £0.6138, as at 27 October 2016 as quoted by the Bank of Canada
'Existing Shares'	the 721,934,300 Ordinary Shares in issue at the date of this document, all of which are admitted to trading on AIM
'finnCap'	finnCap Ltd, the Company's nominated adviser and joint-broker, a company incorporated and registered in England and Wales with registered number 06198898
'Form of Proxy'	the form of proxy for use by Shareholders in connection with the General Meeting, which accompanies this document

‘GAP’	the Company’s Glencore Araguaia Project, a nickel saprolite project located in Araguaia North in the Carajás mining district in the State of Pará in Northern Brazil and acquired by Horizonte in August 2016
‘General Meeting’	the general meeting of the Company convened for 10.00 a.m. on 29 November 2016 at which the Resolutions will be proposed, notice of which is set out at the end of this document
‘Group’ or ‘Horizonte’	the Company and its subsidiaries
‘HZMA’	the Company’s Araguaia Nickel Project, a nickel saprolite project located in Araguaia South in the Carajás mining district in the State of Pará in Northern Brazil
‘IFRS’	International Financial Reporting Standards
‘Insiders’	Henderson Global Investors, Richard Griffiths and Teck Resources Limited are together considered insiders of the Company pursuant to applicable Canadian securities laws as they each beneficially own or control, directly or indirectly, 10 per cent. or more of the Existing Shares
‘LOM’	means the life of mine
‘London Stock Exchange’	London Stock Exchange plc
‘NI 43-101’	National Instrument 43-101 – <i>Standards of Disclosure for Mineral Projects</i> of the Canadian Securities Administrators
‘NRG Capital’	Natural Resources Global Capital Partners Limited, the Company’s financial adviser in connection with the proposed Placing and Admission is a company incorporated and registered in England and Wales with registered number 07865967
‘Notice of General Meeting’	the notice convening the General Meeting set out at the end of this document
‘Ordinary Shares’	ordinary shares of £0.01 each in the share capital of the Company
‘PFS’	means the pre-feasibility study with respect to the Araguaia Project (which includes the HZMA and GAP) prepared in accordance with NI 43-101
‘Placing’	the conditional placing of the Placing Shares at the Placing Price pursuant to the Placing Agreement and the Subscription Agreement, further details of which are set out in this document
‘Placing Agreement’	the conditional agreement, dated 1 November 2016, entered into by the Company, finnCap and Shard relating to the Placing, further details of which are set out in paragraph 3 of the letter from the Chairman of the Company set out in this document
‘Placing Price’	2 pence (C\$0.0326 based on the Exchange Rate) per Placing Share
‘Placing Shares’	the 450,000,000 new Ordinary Shares to be issued pursuant to the Placing
‘Proposals’	the Placing, the Admission and the approval of the Resolutions

'Prospectus Rules'	the prospectus rules made by the UK Financial Conduct Authority pursuant to section 73A of the Financial Services and Markets Act 2000 (as amended)
'Qualified Person'	has the meaning ascribed to such term in NI 43-101
'Report'	means the technical report prepared in accordance with NI 43-101 for the Araguaia Project entitled "NI 43-101 Technical Report – Prefeasibility Study for the Araguaia Nickel Project, Federative Republic of Brazil" dated 30 September 2016 and prepared by Snowden under the guidance of certain Qualified Persons
'Resolutions'	the special resolutions to be proposed at the General Meeting and set out in the Notice of General Meeting
'SEDAR'	means the System for Electronic Document Analysis and Retrieval
'Shard'	Shard Capital Partners LLP, the Company's joint-broker, a limited liability partnership registered in England and Wales with registered number OC360394
'Shareholder'	a holder of Existing Shares
'Snowden'	Snowden Mining Industry Consultants Pty Ltd
'Subscription Agreement'	the conditional subscription agreement in relation to the subscription for Placing Shares entered into between the Company and an arm's length Canadian subscriber, subject to the ability of such subscriber to substitute purchasers for all or a portion of the Placing Shares, subject to the agreement, on or before completion of the Placing
'TSX'	the Toronto Stock Exchange
'UK' and 'United Kingdom'	the United Kingdom of Great Britain and Northern Ireland
'uncertificated form' or 'in uncertificated form'	the description of a share or security which is in uncertificated form (that is, in CREST)
'US' or 'United States'	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction
'£' or 'Pounds'	UK pounds sterling, being the lawful currency of the United Kingdom
'€' or 'Euros'	Euros, being the lawful currency of the European Union
'\$' or 'Dollars'	US dollars, being the lawful currency of the United States of America
'C\$'	Canadian dollars, being the lawful currency of Canada

GLOSSARY OF TECHNICAL TERMS

The following technical terms apply throughout this document, unless the context requires otherwise:

'Al₂O₃'	aluminium oxide
'Fe'	iron
'FeNi'	ferro-nickel (an alloy of iron and nickel)
'kg'	kilogram
'km'	kilometre
'kT'	kilotonne
'lb'	pounds
'm'	metre
'MgO'	magnesium oxide
'Mt'	million tonnes
'Mt/a'	million tonnes per annum
'Ni'	nickel
'NPV 8'	net present value over ten years using an interest rate of 8 per cent.
'RKEF'	Rotary Kiln Electric Furnace, a proven nickel saprolite processing technology
'SiO₂'	silicon dioxide
't'	a metric tonne (1,000kg)
'TPA'	tonnes per annum

LETTER FROM THE CHAIRMAN
HORIZONTE MINERALS PLC

(incorporated in England and Wales under the Companies Act with registered no: 05676866)

Directors:

David Hall (*Non-Executive Chairman*)
Jeremy Martin (*Chief Executive Officer*)
Owen Bavington (*Non-Executive Director*)
Allan Walker (*Non-Executive Director*)
Alexander Christopher (*Non-Executive Director*)
William Fisher (*Non-Executive Director*)

Registered Office

26 Dover Street
London
W1S 4LY
United Kingdom

1 November 2016

To Shareholders, and for information purpose only, holders of options over Ordinary Shares

Dear Shareholder

Conditional Placing of 450,000,000 new Ordinary Shares at 2 pence per share

Notice of General Meeting

1. Introduction

The Company today announced that it proposes to raise £9.0 million (before expenses) through a conditional placing by finnCap and Shard, and on a non-brokered private placement basis in Canada pursuant to the terms of the Subscription Agreement, of 450,000,000 Placing Shares at a price of 2 pence (C\$0.0326, based on the Exchange Rate) per Placing Share. The net proceeds from the Placing will principally be used to fund a feasibility study over the Company's Araguaia Project and for general working capital purposes.

The issue of the Placing Shares is conditional, *inter alia*, on the passing of the Resolutions. It is expected that, subject to passing of the Resolutions, the Placing Shares will be admitted to trading on AIM on 30 November 2016. The issuance of the Placing Shares pursuant to the Subscription Agreement is expected to occur on or about 2 December 2016. The TSX has conditionally approved the Placing subject to fulfilling all of the listing requirements of the TSX. The Placing Price represents a discount of approximately 3.8 per cent. to the closing mid-market price on AIM of 2.075p per Existing Share on 31 October 2016 (being the last practical date prior to the announcement of the Placing and a discount of approximately 18.5 per cent. (based on the Exchange Rate) to the closing price of C\$0.04 on the TSX on 28 October 2016).

The Placing, which has been arranged by finnCap and Shard pursuant to the terms of the Placing Agreement and on a non-brokered private placement basis in Canada pursuant to the Subscription Agreement, is also conditional upon the passing of the Resolutions and Admission and has not been underwritten.

The purpose of this letter is, amongst other things, to outline the background to and reasons for the Placing and explain why the Board considers the Proposals to be in the best interests of the Company and the Shareholders as a whole and why the Directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the General Meeting as they intend to do in respect of the Ordinary Shares held by them.

2. Background to and Reasons for the Placing

On 3 October 2016, the Company released the Report on the Araguaia Project, located south of the Carajas mineral district, north east Brazil. The results of the PFS were positive and demonstrate that the project is economically viable at current nickel prices. Following the recommendations of independent mining consultants, Snowden, it is the Company's intention to start work on a definitive feasibility study to establish the engineering and project costings involved to feasibility study level.

Introduction to the PFS

The PFS is summarized in the Report which is available on the Company's website and the issuer profile on SEDAR at www.sedar.com.

The Araguaia Project, which is 100 per cent. owned by Horizonte, is located on the eastern margin of the State of Pará, north-eastern Brazil, to the north of the town of Conceição do Araguaia (population of 46,206), south of the main Carajás Mining District.

The Araguaia Project has good regional infrastructure including a network of federal highways and roads, with access to low tariff hydro-electric power. The Carajás Mining District, situated approximately 200km northwest of the Araguaia Project, is host to a number of major iron and copper mines operated by mining major Vale SA. The Report considers open pit mining for the exploitation of nickel laterite to establish the production of run of mine ('ROM') from eight open pits to supply a targeted 0.9 Mt/a of ore to a processing and smelter facility.

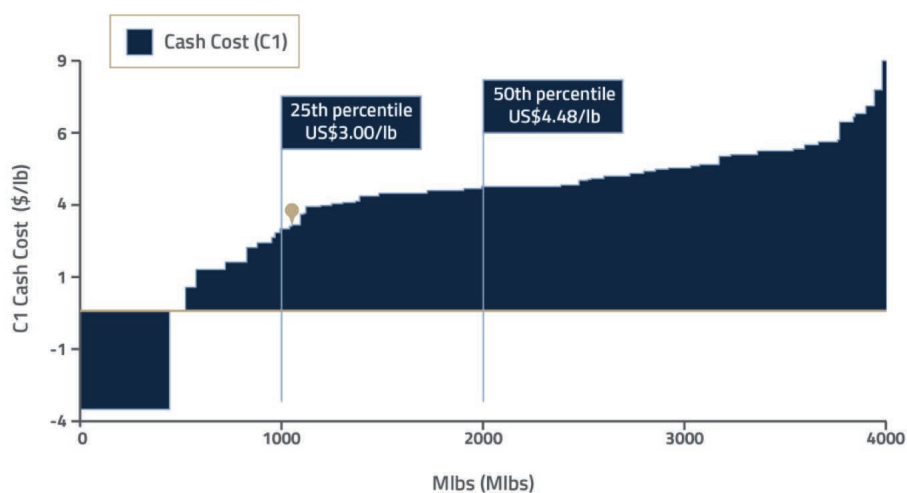
This facility will use the proven RKEF process with the product being sold at free on board ('FOB') at the selected port of export. A base case of 0.9 Mt/a production throughput was selected because of the Company's objective to minimise the capital expenditure and overall capital intensity, while optimising overall cash flow, payback, and the economics of the Project. The Directors believe there is an opportunity to increase production subject to further engineering and that there is potential to increase the mineral reserve base.

Summary of the PFS

The Company announced the results of the PFS on the Araguaia Project to Shareholders via a regulatory new service announcement on 3 October 2016 highlighting the following observations:

- Robust economics based on a 28 year life of mine ('LOM') producing ~14,500 TPA nickel in ferronickel from a single line RKEF plant;
- Post tax NPV8 of US\$581 million at a nickel price of US\$14,000/t and an NPV8 of US\$328 million at US\$12,000/t Ni;
- Post tax IRR of 26.4 per cent. at US\$14,000/t and 19.3 per cent. at US\$12,000/t Ni;
- Project is expected to generate US\$1.3 billion in free cash flow over LOM at US\$12,000/t Ni;
- High grade ore with average nickel grade of 1.96 per cent. for the first 10 years of production;
- Project on the lower range of the global cost curve with C1 cash costs of US\$3.15/lb Ni (US\$6,948/t Ni); and
- 43-101 Proven and Probable Mineral Reserve Estimate of 24.6 Mt grading 1.77 per cent. Ni.

The graph shows the estimated cash cost of the project compared to the industry:



The Report also included an assessment of the following main technical areas of the Araguaia Project: mineral resources, mineral reserves, mining, processing, pilot plant and capital and operating costs. A summary of these areas is set out below.

Mineral Resources

Mineral resources reported for the Araguaia Project deposits, which are included in the PFS, were prepared under the supervision of Mr. Andrew F. Ross BSc (Hons), MSc, FAusIMM, an independent Qualified Person as defined in NI 43-101.

A total of approximately 46,000 m (1,786 holes) of core drilling have been completed to date on the HZMA and 28,860 m (839 holes) of core drilling completed on the Vale dos Sonhos deposit in the GAP. Of this a total of 40,330 m (1,494 holes) from HZMA and 28,860 m (839 holes) from GAP were used in the Mineral Resource Estimation reported in the PFS.

Updated Mineral Resources for the Araguaia Project effective as at 30 September 2016 by material type (0.90 per cent. Ni cut-off grade)

Araguaia	Category	Material type	Tonnage (kT)	Bulk Contained		Ni (%)	Fe (%)	MgO (%)	SiO ₂ (%)
				density (t/m ³)	Ni metal (kT)				
Subtotal	Measured	Limonite	1,232	1.39	15	1.20	37.43	2.00	17.15
Subtotal	Measured	Transition	6,645	1.26	116	1.75	18.89	10.20	42.06
Subtotal	Measured	Saprolite	10,291	1.40	130	1.27	12.03	24.08	41.24
Total	Measured	All	18,168	1.35	261	1.44	16.26	17.51	39.91
Subtotal	Indicated	Limonite	19,472	1.40	218	1.12	36.20	2.39	20.53
Subtotal	Indicated	Transition	31,143	1.20	444	1.43	21.39	11.24	38.92
Subtotal	Indicated	Saprolite	51,279	1.32	610	1.19	11.82	25.79	40.58
Total	Indicated	All	101,893	1.30	1,272	1.25	19.40	16.87	36.24
Total	+	All	120,061	1.30	1,533	1.28	18.93	16.97	36.8
	Indicated								
Subtotal	Inferred	Limonite	2,837	1.37	31	1.08	34.80	2.97	23.05
Subtotal	Inferred	Transition	4,955	1.20	65	1.31	21.20	11.11	39.05
Subtotal	Inferred	Saprolite	5,643	1.35	65	1.16	11.80	24.31	41.80
Total	Inferred	All	13,435	1.30	161	1.20	20.12	14.94	36.83

Note: Totals may not add due to rounding. Mineral resources are inclusive of mineral reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Mineral Reserves

Mineral reserves reported for the Araguaia Project deposits, which are included in the PFS were established by Snowden in accordance with the CIM Definition Standards using only indicated and measured resources, under the supervision of Mr. Frank Blanchfield B.Eng, FAusIMM, an independent Qualified Person as defined in NI 43-101.

A Mineral reserve estimate of 24,646.6 kT (dry) at an average grade of 1.77 per cent. Ni was estimated. The detailed breakdown of the Mineral Reserve allocated by deposit is presented in the following table:

Mineral Reserves for the Araguaia Project effective as at 30 September 2016

<i>Class</i>	<i>Deposit</i>	<i>Ore dry mass (kt)</i>	<i>Ni (%)</i>	<i>Fe (%)</i>	<i>Al₂O₃ (%)</i>	<i>SiO₂/MgO</i>
Probable	Baião	2,381	1.80	18.70	4.93	2.52
Probable	Pequizeiro	11,828	1.73	16.80	5.91	2.83
Probable	Pequizeiro West	165	1.67	19.70	4.47	3.58
Probable	Jacutinga	1,198	1.82	16.70	3.16	2.16
Probable	Vila Oito East	1,190	1.64	15.00	3.74	1.99
Probable	Vila Oito	2,449	1.79	14.20	3.62	2.05
Probable	Vila Oito West	549	1.73	20.30	5.04	3.65
Probable	VDS	4,886	1.85	22.70	6.28	2.72
Total Probable		24,646	1.77	17.90	5.39	2.58
Proven		—	—	—	—	—
Total Proven and Probable		24,646	1.77	17.90	5.39	2.58

A nickel spot price of US\$12,000/t was used in the mineral reserve estimate. The mineral reserve estimate resulted in a marginal cut-off grade of 1.28 per cent. Ni.

Mining

Seven shallow open pits were designed for HZMA and one for GAP through a process of pit optimisation using a variety of cost and process recovery assumptions. All eight pits are designed using smoothed pit shells with the removal of small satellite pits through a standard process of pit optimisation, waste dump design and pit design. To minimise capital, the Base Case also assumes contractor mining using typical truck and excavator fleet which includes ore haulage to the plant. This fleet is supported by the usual array of support and ancillary equipment. Grade and mineralogy will be closely monitored in the mining process using close spaced grade control drilling ahead of mining.

High grade nickel feed is targeted in the early years of production. The average nickel grade of the feed to the plants is as follows:

- Years 1 to 5 – average grade 2.0 per cent. Ni
- Years 6 to 10 – average grade 1.9 per cent. Ni
- Years 11 to 28 – average grade 1.7 per cent. Ni

A number of processing constraints were applied to the schedule. These included a 13 month processing feed quantity ramp-up period, and specific process feed grade constraints throughout the life of the Araguaia Project:

- Fe grade between 15.0 per cent. and 18.0 per cent.
- Al₂O₃ grade between 4.0 per cent. and 5.5 per cent.
- SiO₂/MgO ratio between 2.2 and 2.6

Processing

The Company completed laboratory scale test work between 2011 and 2013 which included batch smelting test, slag testing, agglomeration behaviour of the ore, liquidus measurement of FeNi slag under conditions corresponding to electric furnace smelting, performance of the nickel laterite in rotary kiln processing and evaluation of briquetting behaviour. These laboratory tests carried out showed that the ore was suitable for processing using the RKEF process.

Pilot plant testing of the drying and agglomeration step and piloting of the full RKEF process flowsheet (excluding refining) to confirm final operating characteristics were recommended in the 2014 PFS report. This pilot plant testing was carried out in the first and second quarters of 2015.

Pilot plant

A fully integrated pilot plant test of the RKEF process comprising ore preparation, drying and agglomeration, calcination and electric furnace smelting, including slag and metal granulation, was carried out in April/May 2015. The pilot plant test work facility at the Morro Azul plant in the State of Minas Gerais, Brazil was used for the test. A total of 160 wet tonnes of ore, representative of the planned operational feed, were processed. This ore was collected from selected sites within the Pequizeiro deposit in a bulk sampling exercise in early 2015 using wide diameter auger drilling.

Capital Cost Estimates

The Base Case for the study assumes an ore processing rate of 0.9 Mt/a after a two-year initial ramp up period. A plant construction period of two years has been assumed and the pre-production capital construction costs for the plant have been divided 30 per cent., in Year 1, and 70 per cent., in Year 2. In addition, sustaining capital has been provided for over the LOM and process plant. To minimise capital, the Base Case also assumes contractor mining which includes ore haulage to the plant. Supply chain factors have also been considered for inbound and outbound logistics for key consumables such as coal for smelter requirements.

The economic analysis contained in the Report is based on Probable Mineral Reserve estimates. The following table shows the pre-production capital cost estimates presented in the PFS.

<i>Item</i>	<i>\$ million</i>
Plant direct	202.4
Plant indirect	22.5
Owners costs	21.4
Infrastructure	35.3
Slag storage facility	5.2
Social	1.9
Mining	2.9
Environmental	2.9
Land Acquisition & Resettlement	11.5
Contingency at 15 per cent.	46.3
First fills and spares	1.2
Total pre-production capital costs	353.5

The capital cost estimates have been compiled with an accuracy level of ± 25 per cent..

Operating Cost Estimates

<i>Item</i>	<i>\$ million</i>	<i>\$/tonne – ore</i>
Mining (contractor)	815.3	33.1
Processing	2,187.1	88.7
Total operating costs	3,002.4	121.8

The Directors are encouraged by the findings, which highlights the potential for a medium scale nickel operation and seek to continue the development of the Araguaia Project.

The Company is seeking to raise additional funds to enable it to undertake a feasibility study on the Araguaia Project, with the aim of enhancing the value of the project and reliability of the data thereby enabling the Araguaia Project to move further towards development. The funds raised will be used to fund a definitive feasibility study over the coming 12-18 months, after which and assuming a positive outcome

of the study, the Company will target securing project financing for the development of the Araguaia Project.

3. Details of the Placing

The Company has today announced that it intends to raise £9.0 million (C\$14.7 million based on the Exchange Rate), before expenses, through a conditional placing by finnCap and Shard and on a non-brokered private placement basis in Canada pursuant to the terms of the Subscription Agreement, of 450,000,000 Placing Shares at the Placing Price, which represents a discount of 3.8 per cent. to the closing mid-market price on AIM of 2.075 pence per Existing Share on 31 October 2016 (being the last practical date prior to the announcement of the Placing and a discount of approximately 18.5 per cent. (based on the Exchange Rate) to the closing price of C\$0.04 on the TSX on 27 October 2016). The Placing Shares will represent 38.4 per cent. of the Company's issued ordinary share capital immediately upon completion of the Placing.

The Placing Agreement

Pursuant to the terms of the Placing Agreement, finnCap and Shard, as agents for the Company, have conditionally agreed to use their reasonable endeavours to procure subscribers for 374,000,000 Placing Shares. finnCap and Shard have conditionally placed such Placing Shares at the Placing Price. The Placing is conditional, *inter alia*, upon passing of the Resolutions at the General Meeting, the Placing Agreement becoming unconditional and upon Admission becoming effective, in each case by no later than 8.00 a.m. on 30 November 2016 (or such time and date as the Company, finnCap and Shard may agree, being not later than 8.00 a.m. on 23 December 2016). The Placing is not being underwritten.

The Placing Agreement contains customary warranties from the Company in favour of finnCap and Shard in relation to, *inter alia*, the accuracy of the information in this document and other matters relating to the Group and its business. In addition, the Company has agreed to indemnify finnCap and Shard in relation to certain liabilities it may incur in respect of the Placing. finnCap and Shard have the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, in the event of a breach of the warranties given to finnCap and Shard in the Placing Agreement, the failure of the Company to comply with any of its obligations under the Placing Agreement and the occurrence of a force majeure event.

The Subscription Agreement

Pursuant to the terms of the Subscription Agreement, the subscriber has conditionally agreed to subscribe for 76,000,000 Placing Shares at the Placing Price. The parties' obligations under the Subscription Agreement are conditional upon (i) the Placing Agreement being entered into and becoming unconditional by no later than 8.00 a.m. on 30 November 2016 (or such later time and date as the Company, finnCap and Shard may agree, being not later than 8.00 a.m. on 23 December 2016); (ii) the passing of the Resolutions at the General Meeting; and (iii) Admission.

Settlement and dealings

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the Placing Shares will commence at 8.00 a.m. on 30 November 2016. The issuance of the Placing Shares pursuant to the Subscription Agreement is expected to occur on or about 2 December 2016.

The Company has received the conditional approval for listing of the Placing Shares from the TSX. Listing on the TSX is subject to the Company fulfilling all of the listing requirements of the TSX.

The Placing Shares will, when issued, rank *pari passu* in all respects with the Existing Shares including the right to receive dividends and other distributions declared following Admission.

4. Related Party Transactions

The Insiders are related parties of the Company for the purposes of the AIM Rules by virtue of their status as substantial shareholders (as such term is defined in the AIM Rules) and the Insiders are considered insiders of the Company pursuant to applicable Canadian securities laws as they each beneficially own or

control, directly or indirectly, 10 per cent. or more of the Existing Shares. Henderson Global Investors, Richard Griffiths, and Teck Resources Limited have agreed to subscribe for 50,000,000, 62,235,000 and 21,517,250 Placing Shares respectively, conditional on Admission. Taking into account the related party transactions noted above, the Independent Directors (being all Directors besides Alexander Christopher) consider, having consulted with the Company's nominated adviser, finnCap, that the terms of the Placing with such related parties are fair and reasonable insofar as the Company's Shareholders are concerned.

5. Canadian Securities Law and TSX Matters

Participation by the Insiders in the Placing will be considered a 'related party transaction' pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ('MI 61-101'). The Company intends to rely upon the exemptions from the requirements to obtain a formal valuation and minority shareholder approval in connection with the Insiders' participation in the Placing in sections 5.5(a) and 5.7(a) of MI 61-101 as neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the Placing Shares, insofar as it shall involve the Insiders, will exceed 25 per cent. of the Company's market capitalization (calculated in accordance with MI 61-101).

The Placing will (a) result in the issuance of a number of Ordinary Shares that is greater than 25 per cent. of the number of Existing Shares; and (b) result in the issuance of a number of Ordinary Shares to insiders of the Company that is greater than 10 per cent. of the number of Existing Shares. As a result of (a) and (b) above, the Company is relying upon section 602.1 of the TSX Company Manual in connection with the Placing, which exempts the Company from obtaining shareholder approval under sections 604(a)(ii) and 607(g)(ii) of the TSX Company Manual, on the basis that the Placing is being completed in accordance with the standards of AIM and the volume of trading of the Ordinary Shares on all Canadian marketplaces in the 12 months immediately preceding the date of the application by the Company to the TSX for conditional approval of the Placing was less than 25 per cent..

6. General Meeting

A notice convening the General Meeting, to be held at the offices of finnCap, 60 New Broad Street, London EC2M 1JJ at 10.00 a.m. on 29 November 2016 is set out at the end of this document at which the Resolutions will be proposed for the purposes of implementing the Placing.

The Resolutions authorise the Directors to allot the Placing Shares and disapply the pre-emption rights in the Company's articles of association in relation to the issue of the Placing Shares. The authorities and powers granted by the Resolutions are in addition to any subsisting authorities and powers to allot shares and to disapply pre-emption rights.

The Resolutions, if passed, will allow the Placing Shares to be issued without them first being offered to Shareholders generally in accordance with their statutory pre-emption rights. The Directors have concluded that proceeding with a placing, rather than a rights issue or open offer, is the most suitable option available to the Company for financing the feasibility study over the Araguaia Project and that issuing the Placing Shares at such a discount under the Placing is fair and reasonable so far as all existing Shareholders are concerned.

7. Action to be taken

Shareholders will find a Form of Proxy enclosed with this document for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete, sign and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible. To be valid, completed and signed Forms of Proxy must be received by the Company's Registrars, Computershare Investor Services (Ireland) Limited, c/o Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland by no later than 10.00 a.m. on 25 November 2016 (or, if the General Meeting is adjourned, 48 hours before the time fixed for the adjourned meeting).

To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the issuer's agent (ID number 3RA50) by no later than 10.00 a.m. on 25 November 2016. For this

purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

The completion and return of the Form of Proxy or the appointment of a proxy using the CREST electronic proxy appointment service will not preclude you from attending the General Meeting and voting in person if you so wish.

Within Canada:

The Board has fixed the close of business on 31 October 2016 as the record date (the 'Canadian Record Date'), being the date for the determination of the registered shareholders based in Canada entitled to receive notice of the General Meeting. Such Canadian shareholders whose names have been entered in the register of members/Shareholders at the close of business on the Canadian Record Date will be entitled to receive notice of and to vote at the Meeting or any adjournments or postponements thereof. Canadian shareholders who become holders of record of shares of the Company after the Canadian Record Date and who wish to vote at the General Meeting must make arrangements with the person(s) from whom they acquired the shares to direct how such shares are to be voted at the Meeting.

The Board has resolved that duly completed and executed Forms of Proxy, as sent to Canadian registered holders, must be received by the Company's registrar and transfer agent, Computershare Investor Services Inc., Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the General Meeting or any adjournments or postponements thereof. Non-registered holders may register their vote on-line through www.proxyvote.com using the 16-digit control number that is indicated on the voting information form, or by telephone voting – English – 1-800-474-7493 or French 1-800-474-7501, or by mail using the business reply envelope provided and on-line, telephone or postal voting from non-registered holders must be received not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof.

8. Total Voting Rights

Assuming the Resolutions are passed at the General Meeting, Admission becomes effective and the Placing Shares are issued pursuant to the Subscription Agreement, the Company's issued share capital will comprise 1,171,934,300 Ordinary Shares, all carrying voting rights. This figure (1,171,934,300) may be used by Shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to, their interest in the Company under the UK Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

9. Recommendation

The Directors consider the terms of the Proposals outlined above to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, as they intend to do in respect of their own beneficial holdings of Ordinary Shares, representing approximately 0.6 per cent. of the existing issued ordinary share capital of the Company.

Yours faithfully,

David Hall
Non-Executive Chairman

NOTICE OF GENERAL MEETING

HORIZONTE MINERALS PLC

(the 'Company')

(incorporated and registered in England and Wales under the Companies Act 2006 with registered no: 05676866)

Notice is hereby given that a General Meeting of the Company will be held at 10.00 a.m. on 29 November 2016 at the offices of finnCap Ltd, 60 New Broad Street, London EC2M 1JJ for the purpose of considering and, if thought fit, passing the resolutions set out below.

Ordinary Resolution

1. THAT, in addition to the shareholder authorities granted at the Company's annual general meeting on 21 April 2016, the directors be and are hereby authorised generally and unconditionally pursuant to and in accordance with section 551 Companies Act 2006 ("**Act**") to exercise all the powers of the Company to allot shares, or to grant rights to subscribe for or convert any security into shares, in the capital of the Company up to an aggregate nominal amount of £8,406,447.67 until the conclusion of the next annual general meeting of the Company, save that this authority shall allow the Company to make offers or agreements before the expiry of this authority which would or might require shares to be allotted, or rights to subscribe for or to convert securities into shares to be granted, after such expiry.

Special Resolution

2. THAT, subject to resolution 1 above having been passed and in addition to the shareholder authorities granted at the Company's annual general meeting on 21 April 2016, the directors be and are hereby authorised and empowered pursuant to section 570 of the Act to allot equity securities, as defined in section 560 of the Act, up to an aggregate nominal amount of £5,671,934.30 as if section 561(1) of the Act did not apply to any such allotment provided that the authority and power conferred by this resolution shall expire at the conclusion of the next annual general meeting of the Company, save that the Company may before such expiry make any offer, agreement or other arrangement which would or might require equity securities to be allotted after the expiry of this authority and the directors may then allot equity securities pursuant to such an offer or agreement as if the authority and power conferred had not expired.

By order of the board
David Hall

Registered Office

26 Dover Street
London
W1S 4LY
United Kingdom

1 November 2016

Notes to the Notice of General Meeting

A shareholder of the Company (each a 'Shareholder') may attend the Meeting in person or may be represented by one or more proxies provided each proxy is appointed to exercise rights attached to different shares. Members of the Company may not appoint more than one proxy to exercise rights attached to any one share. Shareholders who are unable to attend the Meeting or any adjournments or postponements thereof in person are requested to date, sign and return the accompanying Form of Proxy or VIF (as defined later), as applicable, for use at the Meeting or any adjournments or postponements thereof. In the case of a member which is a company, the Proxy Form must be executed under its common seal or signed on its behalf by an officer or attorney duly authorised. A proxy need not be a member of the Company. Completion and return of a Form of Proxy will not prevent a member from attending and voting at the General Meeting in person should he/she wish to do so.

A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

In the case of joint holders, the signature of only one of the joint holders is required on the Form of Proxy but the vote of the first named on the register of members of the Company will be accepted to the exclusion of the other joint holders.

Within Canada:

Canadian shareholders whose names have been entered in the register of members/Shareholders at the close of business on the Canadian Record Date will be entitled to receive notice of and to vote at the Meeting or any adjournments or postponements thereof. Such Canadian shareholders who become holders of record of shares of the Company after the Canadian Record Date and who wish to vote at the Meeting must make arrangements with the person(s) from whom they acquired the shares to direct how such shares are to be voted at the Meeting.

To be effective, the enclosed Form of Proxy as sent to Canadian registered holders must be mailed so as to reach or be deposited with Computershare Investor Services Inc., Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1. Non-Registered Holders may register their vote either on-line through www.proxyvote.com using the 16-digit control number that is indicated on the Voting Instruction Form ('VIF'), or by telephone voting — English — 1-800-474-7493 or French 1-800-474-7501, or by mail using the business reply envelope provided. Forms of Proxy from Registered Holders or on-line, telephone or postal voting from Non-Registered Holders must be received not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof.

Outside of Canada:

In accordance with the Articles and Regulation 41 of the Uncertificated Securities Regulations 2001, only those Shareholders entered on the Company's register of shareholders forty-eight (48) hours prior to the start of the Meeting, or, if the meeting is adjourned, Shareholders entered on the Company's register of Shareholders forty-eight (48) hours before the time fixed for the adjourned Meeting, shall be entitled to attend and vote at the Meeting. Such Shareholders who become holders of record of shares of the Company after such date and who wish to vote at the Meeting must make arrangements with the person(s) from whom they acquired the shares to direct how such shares are to be voted at the Meeting.

A Form of Proxy is enclosed with this document for use in relation to the Meeting. To be valid, the Form of Proxy must be completed in accordance with the instructions set out in the form and returned as soon as possible to the offices of the Company's registrars, Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland so as to be received no later than 10.00 a.m. (London time) on 25 November 2016.

General Information Respecting the General Meeting Pursuant to Applicable Canadian Securities Laws

The Company is a reporting issuer in Canada. Accordingly, pursuant to the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators, the following disclosure is required to be included with this document.

Purpose of Solicitation

This document is furnished in connection with the solicitation of proxies by the management of the Company for use at the General Meeting to be held at the offices of finnCap, 60 New Broad Street, London, EC2M 1JJ at 10.00 a.m. on 29 November 2016. It is expected that the solicitation of proxies will be primarily by mail, however, proxies may also be solicited by the officers, directors and employees of the Company by telephone, electronic mail, facsimile or personally. These persons will receive no compensation for such solicitation other than their regular fees or salaries. The cost of soliciting proxies in connection with the Meeting will be borne directly by the Company.

Notwithstanding the following, the Chairman at the General Meeting has the discretion to accept Forms of Proxy or VIFs, as applicable, after such deadlines.

Unless otherwise stated, the information contained in this document is correct as of 31 October 2016.

Voting of Proxies

The Ordinary Shares represented by the accompanying Form of Proxy (if same is properly executed and is received in accordance with the instructions set forth herein, prior to the time set for the General Meeting or any adjournments or postponements thereof), will be voted at the General Meeting, and, where a choice is specified in respect of any matter to be acted upon, will be voted or withheld from voting in accordance with the specification made. In the absence of such specification, proxies in favour of the Chairman of the General Meeting or management will be voted in favour of all resolutions described herein. The enclosed Form of Proxy or VIF, as applicable, confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the General Meeting. At the time of printing of this document, management of the Company knows of no such amendments, variations or other matters to come before the General Meeting. However, if any other matters that are not now known to management should properly come before the General Meeting, the Form of Proxy or VIF, as applicable, will be voted on such matters in accordance with the best judgment of the named proxies.

Appointment of Proxies

The persons named in the enclosed Form of Proxy are officers and/or directors of the Company. A Shareholder desiring to appoint some other person, who need not be a Shareholder, to represent him or her at the Meeting, may do so by inserting such person's name in the blank space provided in the enclosed Form of Proxy or by completing another proper form of proxy and, in either case, depositing the completed and executed proxy in accordance with the instructions set out below.

To be effective, the enclosed Form of Proxy completed by a Canadian registered holder must be mailed so as to reach or be deposited with Computershare Investor Services Inc., Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof.

Revocation of Proxies

A proxy given pursuant to this solicitation may be revoked at any time prior to its use. A Shareholder who has given a proxy may revoke the proxy by:

- a) completing and signing a proxy bearing a later date and depositing it at the offices of Computershare Investor Services Inc., Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, or if the Shareholder is outside of Canada, to the Company's registered and head office at 26 Dover Street, London, W1S 4LY, United Kingdom;
- b) depositing an instrument in writing executed by the Shareholder or by the Shareholder's attorney duly authorised in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney either with Computershare Investor Services Inc., Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 or, if the Shareholder is out of Canada, to the Company at its registered and head office at 26 Dover Street, London, W1S 4LY, United Kingdom at any time up to and including the last Business Day preceding the day of the Meeting or any adjournments or postponements thereof or with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournments or postponements thereof; or
- c) in any other manner permitted by law. Such instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to such proxy.

Voting by Non-Registered Shareholders in Canada

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. Certain Shareholders are 'non-registered' Shareholders in Canada (**'Non-Registered Shareholders'**) because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares. Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (**'Intermediary'**) that the Non-Registered Shareholder deals with in respect of the shares; or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant (**'Clearing Agency'**). In accordance with applicable securities law requirements, the Company will have distributed copies of the Notice of Meeting and this document and VIF (collectively, the **'Meeting Materials'**) to the Clearing Agencies and Intermediaries for distribution to Non-Registered Shareholders.

Intermediaries and Clearing Agencies are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries and Clearing Agencies often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Non-Registered Shareholders who have not waived the right to receive Meeting Materials will be given a VIF which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow. Typically, the VIF will consist of a one page pre-printed form. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ('Broadridge') in Canada. Broadridge typically prepares a machine-readable VIF, mails those forms to Non-Registered Shareholders and asks Non-Registered Shareholders to return the forms to Broadridge or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of the shares to be represented at the Meeting. Sometimes, instead of the one page pre-printed form, the VIF will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for this form of proxy to validly constitute a VIF, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company. **A Non-Registered Shareholder who receives a VIF cannot use that form to vote his or her shares at the Meeting.**

The purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the shares they beneficially own. Should a Non-Registered Shareholder who receives a VIF wish to vote at the Meeting, or any adjournments or postponements thereof, (or have another person attend and vote on

behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the VIF and insert the **Non-Registered Shareholder or such other person's name in the blank space provided. Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the VIF is to be delivered.**

A Non-Registered Shareholder may revoke a VIF or a waiver of the right to receive Meeting Materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a VIF or of a waiver of the right to receive Meeting Materials and to vote which is not received by the Intermediary at least seven days prior to the Meeting.

Voting Securities and Principal Holders of Voting Securities

As at the date hereof, the Company's issued share capital comprises 721,934,300 Ordinary Shares of £0.01 each. Each Ordinary Share carries the right to one vote per share at all meetings of Shareholders.

To the knowledge of the directors and executive officers of the Company, no person beneficially owns or exercises control or direction over, directly or indirectly, 10 per cent. or more of the outstanding Ordinary Shares as of the date of this document, with the exception of those set out in the table below:

<i>Shareholder</i>	<i>Number of Ordinary Shares⁽¹⁾⁽²⁾</i>	<i>Percentage of issued share capital owned, controlled, or directed, directly or indirectly⁽¹⁾⁽²⁾</i>
Teck Resources Limited	188,689,929	26.1%
Mr. Richard Griffiths	99,839,049	13.8%
Glencore Canada Corporation	74,507,195	10.3%
Henderson Global Investors Limited	110,201,006	15.3%

Note:

- (1) As at 31 October, 2016, based on publicly available information.
- (2) The information as to Ordinary Shares beneficially owned, controlled or directed, not being within the knowledge of the Company, has been obtained by the Company from publicly disclosed information and/or furnished by the Shareholder listed above.

Interest of Certain Persons in Matters to be Acted Upon

As at the date hereof, no director or executive officer of the Company who has held such position at any time since the beginning of the Company's financial year ended December 31, 2015, or associate or affiliate of the foregoing, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

Interest of Informed Persons in Material Transactions

Since the commencement of the Company's most recently completed financial year, no informed person or proposed director of the Company, nor any associate or affiliate thereof, has or had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or will materially affect the Company or any of its subsidiaries.

Indebtedness of Directors and Executive Officers

During the year ended 31 December 2015, no director, executive officer or associate of any director or executive officer of the Company was indebted to the Company, nor were any of these individuals indebted to any other entity which indebtedness was the subject of a guarantee, support agreement, letter of credit

or similar arrangement or understanding provided by the Company, including under any securities purchase or other program.

Additional Information

Additional information relating to the Company may be found under the Company's issuer profile on SEDAR at www.sedar.com. Inquiries including requests for copies of the Company's financial statements and management's discussion and analysis for the year ended 31 December 2015 and the six months ended 30 June 2016 may be directed to Company Secretary at the Company's head office and registered office is at 26 Dover Street, London, W1S 4LY, United Kingdom. Additional financial information is provided in the Company's comparative financial statements and management's discussion and analysis for the year ended 31 December 2015 and the six months ended 30 June 2016 which are also available on SEDAR.

