HORIZONTE MINERALS

Horizonte Minerals plc / Index: AIM and TSX / Epic: HZM / Sector: Mining

NEWS RELEASE
11 August 2017

INTERIM RESULTS

Horizonte Minerals Plc, (AIM: HZM, TSX: HZM) ('Horizonte' or 'the Company') the nickel development company focused in Brazil, announces its unaudited financial results for the six months ended 30 June 2017 and the Management Discussion and Analysis for the same period.

Both of the above have been posted on the Company's website at www.horizonteminerals.com and are also available on SEDAR at www.sedar.com.

Chairman's Statement

The first half of 2017 has been focussed on the commencement of the Feasibility Study for our Araguaia Nickel Project which we are developing as Brazil's next ferro-nickel mine. This follows the transaction with Glencore to acquire the adjacent Serra do Tapa project, creating one of the largest and highest-grade nickel saprolite projects globally, in a good mining jurisdiction and a region with good infrastructure. Following significant progress made to date this year, the Araguaia Feasibility Study is now at an advanced stage with a number of the principal work streams over 50% complete for a 14,500tpa ferro-nickel operation with a 28-year life of mine.

Having completed a £9 million fundraise in December 2016, which saw us add key strategic institutional investors to our share register, we hit the ground running in January 2017 with the appointment of a Feasibility Study Manager, Wagner Oliveira, who has extensive ferro-nickel experience including being part of the team that lead the design and construction of Anglo American's Barro Alto ferronickel mine in Brazil. Key contracts have also been awarded to several leading consultants including Worley Parsons, Snowden Mining Industry Consultants, and Environmental Resources Management (ERM), creating a strong team to deliver the Feasibility Study.

During the period, a 30 hole pre-excavation drilling programme was completed over the trial excavation site which successfully confirmed the high-grade nature of the Araguaia ore and targeted an area that would be representative of the first five to eight years mine life. The trial excavation programme is nearing completion which is targeting the removal of approximately 20,000 tonnes of ore down to a depth of around 14 metres utilising two 35 tonne excavators and four 35 tonne trucks. The results of this programme, together with the high-grade drilling results will be fed into the Feasibility Study which is on track to be delivered in Q4 2017 into Q1 2018.

Progress has been made during the period by our sustainability team at Araguaia with socio-economic activities progressing positively. As a result, we will shortly be submitting the documents for the Installation Licence which upon award will allow mine construction to commence.

The Company held cash balances of £5.6m as at the end of period, meaning we are fully funded to complete the Feasibility Study and beyond.

Despite nickel prices hitting a new six-month low in April of this year, Morgan Stanley and UBS have continued to highlight the base metal as its preferred commodity for 2017. Unlike pricing for other metals, which have recovered significantly from the levels experienced during the lows of the mining cycle, nickel is yet to catch up, and indeed until recently has continued to fall. This presents investors, as Morgan Stanley analyst Menno Sanderse puts it, "with an ideal opportunity to benefit from the recovery when it takes place in the near future."

With the market moving into deficit after five years of over-supply, the nickel price is currently on the rise, reaching a near four-month high in July on renewed supply worries and higher stainless steel prices, albeit from a lower level due to recent political instability in the Philippines which caused the most recent dive. In terms of drivers, nickel is primarily used in stainless steel production, although an Electric Vehicle revolution would add a new driver to the market considering Mr. Musk's comments last year that his lithium ion batteries should be called nickel-graphite batteries as there are c. 11kg contained nickel in a 250kg EV battery. Indeed, Macquarie recently noted that "nickel use in batteries could more than double over the next 10 years from around 70kt to close to 160-170kt", although it is not expected to overtake the stainless-steel market as the primary driver in the mid-term.

As we move into the second half of 2017, Horizonte is well positioned to take full advantage of the positive sentiment in the nickel market as the Araguaia feasibility moves into the final phase. The value of Araguaia, comprising high grade and resource size will only increase as it is further de-risked. A Tier 1 asset such as this will no doubt attract the attention of nickel producers for whom the development pipeline is bare. Meanwhile we look forward to updating you as we progress this project for maximum benefit for our shareholders.

David Hall
Chairman
10 August 2017

Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2017

Condensed consolidated statement of comprehensive income

		6 months ended 30 June		3 months ended 30 June	
		2017	2016	2017	2016
		Unaudited	Unaudited (Restated)	Unaudited	Unaudited (Restated)
	Notes	£	£	£	£
Continuing operations					
Revenue		-	-	-	-
Cost of sales		-	-	-	-
Gross profit		-	-	-	-
Administrative expenses		(654,548)	(385,028)	(376,487)	(200,938)
Charge for share options granted		(78,810)	(18,184)	(28,424)	(9,092)
Change in value of contingent consideration		153,095	(148,706)	120,885	(109,008)
Gain/(Loss) on foreign exchange		(245,553)	80,300	(141,613)	35,988
Other losses – Impairment of available for sale assets		-	-	-	-
Loss from operations		(825,816)	(471,618)	(425,639)	(283,050)
Finance income		7,448	2,964	6,825	909
Finance costs		(116,944)	(110,409)	(58,758)	(55,204)
Loss before taxation		**(935,312)**	**(579,063)**	**(477,572)**	**(337,345)**
Taxation		-	-	-	-
Loss for the year from continuing operations		**(935,312)**	**(579,063)**	**(477,572)**	**(337,345)**

Other comprehensive income

Items that may be reclassified subsequently to profit or loss					
Change in value of available for sale financial assets		-	-	-	-
Currency translation differences on translating foreign operations		(2,196,597)	9,018,737	(2,499,362)	4,903,938
Other comprehensive income for the period, net of tax		**(2,196,597)**	9,018,737	**(2,499,362)**	4,903,938
Total comprehensive income for the period attributable to equity holders of the Company		**(3,131,909)**	**8,439,674**	**(2,976,934)**	**4,566,593**
Earnings per share from continuing operations attributable to the equity holders of the Company					
Basic and diluted (pence per share)	9	**(0.080)**	**(0.086)**	**(0.041)**	**(0.036)**

Condensed consolidated statement of financial position

	Notes	30 June 2017 Unaudited £	31 December 2016 Audited £
Assets			
Non-current assets			
Intangible assets	6	32,517,929	32,017,796
Property, plant & equipment		264	862
		32,518,193	32,018,658
Current assets			
Trade and other receivables		36,286	35,493
Cash and cash equivalents		5,655,064	9,317,781
		5,691,350	9,353,274
Total assets		**38,209,543**	**41,371,932**
Equity and liabilities			
Equity attributable to owners of the parent			
Issued capital	7	11,719,343	11,719,343
Share premium	7	35,747,912	35,767,344
Other reserves		2,270,467	4,467,064
Accumulated losses		(15,755,799)	(14,899,297)
Total equity		33,981,923	37,054,454
Liabilities			
Non-current liabilities			
Contingent consideration		3,606,891	3,643,042
Deferred tax liabilities		263,143	282,450

	3,870,034	3,925,492
Current liabilities		
Trade and other payables	357,586	391,986
		391,986
Total liabilities	4,227,620	4,317,478
Total equity and liabilities	**38,209,543**	**41,371,932**

Condensed statement of changes in shareholders' equity

	Attributable to the owners of the parent				
	Share capital £	Share premium £	Accumulated losses £	Other reserves £	Total £
As at 1 January 2016 (Restated)	**6,712,044**	**31,252,708**	**(13,477,853)**	**(4,848,116)**	**19,638,783**
Comprehensive income					
Loss for the period	-	-	(579,063)	-	(579,063)
Other comprehensive income					
Impairment of available for sale assets	-	-	-	-	-
Currency translation differences	-	-	-	9,018,737	9,018,737
Total comprehensive income	**-**	**-**	**(579,063)**	**9,018,737**	**8,439,674**
Transactions with owners					
Share based payments	-	-	18,184	-	18,184
Total transactions with owners	-	-	**18,184**	**-**	**18,184**
As at 30 June 2016 (unaudited) (Restated)	**6,712,044**	**31,252,708**	**(14,038,732)**	**4,170,621**	**28,096,641**

	Attributable to the owners of the parent				
	Share capital £	Share premium £	Accumulated losses £	Other reserves £	Total £
As at 1 January 2017	**11,719,343**	**35,767,344**	**(14,899,297)**	**4,467,064**	**37,054,454**
Comprehensive income					
Loss for the period	-	-	(935,312)		(935,312)
Other comprehensive income					
Impairment of available for sale assets	-	-	-		
Currency translation differences	-	-	-	(2,196,597)	(2,196,597)

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Total comprehensive income	**-**	**-**	**(935,312)**	**(2,196,597)**	**(3,131,909)**
Transactions with owners					
Share based payments	-	-	78,810	-	78,810
Share issue costs	-	(19,432)	-	-	(19,432)
Total transactions with owners	**-**	**(19,432)**	**78,810**	**-**	**59,378**
As at 30 June 2017 (unaudited)	**11,719,343**	**35,747,912**	**(15,755,799)**	**2,270,467**	**33,981,923**

Condensed Consolidated Statement of Cash Flows

	6 months ended 30 June		**3 months ended 30 June**	
	2017	**2016**	**2017**	**2016**
	Unaudited	**Unaudited (Restated)**	**Unaudited**	**Unaudited (Restated)**
	£	**£**	**£**	**£**
Cash flows from operating activities				
Loss before taxation	(935,312)	(579,063)	(477,572)	(337,345)
Interest income	(7,448)	(2,964)	(6,825)	(909)
Finance costs	116,944	110,409	58758	55,204
Exchange differences	245,553	(80,300)	141,613	(35,988)
Employee share options charge	78,810	18,184	28,424	9,092
Change in fair value of contingent consideration	(153,095)	148,706	(120,885)	109,008
Depreciation	234	579	75	294
Operating loss before changes in working capital	**(654,314)**	**(384,449)**	**(376,412)**	**(200,644)**
Decrease/(increase) in trade and other receivables	(793)	18,657	12,800	5,723
(Decrease)/increase in trade and other payables	(252,149)	(43,028)	24,812	3,842
Net cash outflow from operating activities	**(907,256)**	**(408,820)**	**(338,800)**	**(191,079)**
Cash flows from investing activities				
Purchase of intangible assets	(2,497,924)	(751,986)	(1,664,272)	(359,011)
Proceeds from sale of property, plant and equipment	-	-	-	-
Interest received	7,448	2,964	6,825	909
Net cash used in investing activities	**(2,490,476)**	**(749,022)**	**(1,657,447)**	**(358,102)**
Cash flows from financing activities				
Issue of shares	-	-	-	-
Share issue costs	(19,432)	-	-	-
Net cash used in financing activities	**(19,432)**	**-**	**-**	**-**
Net decrease in cash and cash equivalents	**(3,417,164)**	**(1,157,842)**	**(1,996,247)**	**(549,181)**
Cash and cash equivalents at beginning of period	**9,317,781**	**2,738,905**	**7,792,924**	**2,173,055**
Exchange gain/(loss) on cash and cash equivalents	**(245,553)**	**79,131**	**(141,613)**	**36,320**
Cash and cash equivalents at end of the period	**5,655,064**	**1,660,194**	**5,655,064)**	**1,660,194**

Notes to the Financial Statements

1. General information

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

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

2. Basis of preparation

The condensed consolidated interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards and in accordance with International Accounting Standard 34 *Interim Financial Reporting*. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2016, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The condensed consolidated interim financial statements set out above do not constitute statutory accounts within the meaning of the Companies Act 2006. They have been prepared on a going concern basis in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as adopted by the European Union. Statutory financial statements for the year ended 31 December 2016 were approved by the Board of Directors on 16 March 2017 and delivered to the Registrar of Companies. The report of the auditors on those financial statements was unqualified.

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

Going concern

The Directors, having made appropriate enquiries, consider that adequate resources exist for the Group to continue in operational existence for the foreseeable future and that, therefore, it is appropriate to adopt the going concern basis in preparing the condensed consolidated interim financial statements for the period ended 30 June 2017.

Risks and uncertainties

The Board continuously assesses and monitors the key risks of the business. The key risks that could affect the Group's medium term performance and the factors that mitigate those risks have not substantially changed from those set out in the Group's 2016 Annual Report and Financial Statements, a copy of which is available on the Group's website:

www.horizonteminerals.com and on Sedar: www.sedar.com The key financial risks are liquidity risk, foreign exchange risk, credit risk, price risk and interest rate risk.

Critical accounting estimates

The preparation of condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period. Significant items subject to such estimates are set out in note 4 of the Group's 2016 Annual Report and Financial Statements. The nature and amounts of such estimates have not changed significantly during the interim period.

Prior period restatement

As clearly set out in the 2016 audited annual report and the accompanying management discussion and analysis, which can be found on the company's website and also filed on Sedar, the company restated certain prior year numbers for the year ended 2015 and before. The result of this and applying a consistent methodology means that the 2016 quarterly information has been restated in line with the revised assumptions. These quarterly condensed unaudited financial statements have been restated to reflect the amended figures for the quarter ended 30 June 2016. The figures for 30 June 2017 are not affected.

3. Significant accounting policies

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

The same accounting policies, presentation and methods of computation have been followed in these condensed consolidated interim financial statements as were applied in the preparation of the Group's Financial Statements for the year ended 31 December 2016.

4. 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.

2017	UK 6 months ended 30 June 2017 £	Brazil 6 months ended 30 June 2017 £	Total 6 months ended 30 June 2017 £
Revenue			
Administrative expenses	(424,914)	(229,634)	(654,548)
Profit on foreign exchange	(224,641)	(20,912)	(245,553)
(Loss) from operations per reportable segment	(649,555)	(250,546)	(906,101)
Inter segment revenues	-	-	-

Depreciation charges	(234)	-	(234)
Additions and foreign exchange movements to non-current assets	-	519,276	519,276
Reportable segment assets	5,631,052	32,578,490	38,209,543)
Reportable segment liabilities	3,623,391	604,229	4,227,620

2016	UK 6 months ended 30 June 2016 £ (Restated)	Brazil 6 months ended 30 June 2016 £ (Restated)	Total 6 months ended 30 June 2016 £ (Restated)
Revenue	-	-	-
Administrative expenses	(256,251)	(128,777)	(385,028)
(Loss) on foreign exchange	63,320	16,980	80,300
(Loss) from operations per reportable segment	(192,931)	(111,797)	(304,728)
Inter segment revenues	-	567,589	567,589
Depreciation charges	(519)	(61)	(579)
Additions and foreign exchange movements to non-current assets	-	8,175,863	8,175,863
Reportable segment assets	1,635,604	33,249,296	34,884,900
Reportable segment liabilities	5,848,311	2,220,821	8,069,132

2017	UK 3 months ended 30 June 2017 £	Brazil 3 months ended 30 June 2017 £	Total 3 months ended 30 June 2017 £
Revenue			
Administrative expenses	(272,223)	(104,264)	(376,487)
Profit on foreign exchange	(121,113)	(20,501)	(141,613)
(Loss) from operations per reportable segment	(393,336)	(124,765)	(518,100)
Inter segment revenues	-	-	
Depreciation charges	(75)	-	(75)
Additions and foreign exchange movements to non-current assets	-	(648,305)	(648,305)

2016	UK 3 months ended 30 June 2016 £ (Restated)	Brazil 3 months ended 30 June 2016 £ (Restated)	Total 3 months ended 30 June 2016 £ (Restated)
Revenue	-	-	-
Administrative expenses	(113,961)	(86,977)	(200,938)
(Loss) on foreign exchange	25,808	10,180	35,988
(Loss) from operations per reportable segment	(88,153)	(76,797)	(164,950)
Inter segment revenues	-	327,101	327,101
Depreciation charges	(259)	(35)	(294)

Additions and foreign exchange movements to non-current assets	-	4,818,164	4,818,164

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

	6 months ended 30 June 2017 £	6 months ended 30 June 2016 £ (Restated)	3 months ended 30 June 2017 £	3 months ended 30 June 2016 £ (Restated)
Loss from operations per reportable segment	(900,101)	(304,728)	(518,100)	(164,950)
– Change in fair value of contingent consideration	153,095	(148,706)	120,885	(109,008)
– Charge for share options granted	(78,810)	(18,184)	(28,424)	(9,092)
– Impairment of available for sale asset	-	-	-	-
– Finance income	7,448	2,964	6,825	909
– Finance costs	(116,944)	(110,409)	(58,758)	(55,204)
Loss for the period from continuing operations	(955,312)	(579,063)	(477,572)	(337,345)

5. Change in Fair Value of Contingent Consideration

Contingent Consideration payable to the former owners of Teck Cominco Brasil S.A.

Contingent consideration payable to the former owners of Teck Cominco Brasil S.A. has a carrying value of £141,325 at 30 June 2017 (30 June 2016 (Restated: £176,453).

The fair value of the contingent consideration arrangement with the former owners of Teck Cominco Brasil S.A. was estimated at the acquisition date according to the probability and timing of when future taxable profits will arise against which the tax losses may be utilised in accordance with the terms of the acquisition agreement.

As explained in note 21 of the 2016 Annual Report the estimate of fair value was restated as at 31 December 2015 and all periods up to 31 December 2016. The critical assumptions underlying the fair value estimate are set out in note 4.3. Estimates were also based on the current rates of tax on profits in Brazil of 34% and 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 30 June 2017, there was a finance expense of £5,050 (30 June 2016 Restated: £6,408) recognised in finance costs within the Condensed Statement of Comprehensive Income in respect of this contingent consideration arrangement, as the discount applied to the contingent consideration at the date of acquisition was unwound.

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 October 2016. The key assumptions underlying the cash flow model derived from the Pre-Feasibility Study as published by the Group in October 2016 are unchanged as at 30 June 2017. The change in the fair value of contingent consideration payable to the former owners of Teck Cominco Brasil S.A. generated a charge to profit or loss of £21,239 for the six months ended 30 June 2017 (30 June 2016 Restated: £36,623 charge) due to changes in the functional currency in which the liability is payable.

Contingent Consideration payable to Xstrata Brasil Mineração Ltda.

The contingent consideration payable to Xstrata Brasil Mineração Ltda has a carrying value of £3,246,242 at 30 June 2017 (30 June 2016: £3,244,253). It comprises two elements: US$1,000,000 due after the date of issuance of a joint feasibility study for the combined Enlarged Project areas and to be satisfied by shares or cash, together with US$5,000,000 consideration in cash as at the date of first commercial production from any of the resource areas within the Enlarged Project area. The key assumptions underlying the treatment of the contingent consideration the US$5,000,000 are as per those applied to the contingent consideration payable to the former owners of Teck Cominco Brasil S.A.

As at 30 June 2017, there was a finance expense of £112,464 (2016: £104,001) recognised in finance costs within the Statement of Comprehensive Income in respect of this contingent consideration arrangement, as the discount applied to the contingent consideration at the date of acquisition was unwound.

The change in the fair value of contingent consideration payable to Xstrata Brasil Mineração Ltda generated a credit to profit or loss of £174,259 for the six months ended 30 June 2017 (30 June 2016: £112,083) due to changes in the functional currency in which the liability is payable.

6. Intangible assets

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

Group	Goodwill	Exploration licences	Exploration and evaluation costs	Total
	£	£	£	£
Cost				
At 1 January 2017	280,060	5,645,185	26,092,551	32,017,796
Additions	-	-	2,716,012	2,716,012
Exchange rate movements	(19,144)	(316,663)	(1,880,078)	(2,215,879)
Net book amount at 30 June 2017	260,916	5,328,522	26,928,495	32,517,928

7. Share Capital and Share Premium

Issued and fully paid	Number of shares	Ordinary shares £	Share premium £	Total £

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At 1 January 2017	1,171,934,300	11,719,343	35,767,344	47,486,687
At 30 June 2017	1,171,934,300	11,719,343	35,767,344	47,486,687

8. Dividends

No dividend has been declared or paid by the Company during the six months ended 30 June 2017 (2016: nil).

9. Earnings per share

The calculation of the basic loss per share of 0.08 pence for the 6 months ended 30 June 2017 (30 June 2016 loss per share: 0.086 pence) is based on the loss attributable to the equity holders of the Company of £ (935,312) for the six month period ended 30 June 2017 (30 June 2016: £(579,063)) divided by the weighted average number of shares in issue during the period of 1,171,934,300 (weighted average number of shares for the 6 months ended 30 June 2016: 671,047,312).

The calculation of the basic loss per share of 0.041 pence for the 3 months ended 30 June 2017 (30 June 2016 loss per share: 0.036 pence) is based on the loss attributable to the equity holders of the Company of £ (477,572) for the three month period ended 30 June 2017 (3 months ended 30 June 2016: £ 337,345) divided by the weighted average number of shares in issue during the period of 1,171,934,300 (weighted average number of shares for the 3 months ended 30 June 2016: 671,204,378).

The basic and diluted loss per share is the same, as the effect of the exercise of share options would be to decrease the loss per share.

Details of share options that could potentially dilute earnings per share in future periods are disclosed in the notes to the Group's Annual Report and Financial Statements for the year ended 31 December 2016 and in note 10 below.

10. Issue of Share Options

On 31 March 2017, the Company awarded 41,000,000 share options to Directors and senior management. All of the share options have an exercise price of 3.20 pence. One third of the options are exercisable from 30 September 2017, one third from 31 March 2018 and one third from 30 September 2018.

No share options were issued in the first 6 months of 2016.

11. Ultimate controlling party

The Directors believe there to be no ultimate controlling party.

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12. Related party transactions

The nature of related party transactions of the Group has not changed from those described in the Group's Annual Report and Financial Statements for the year ended 31 December 2016.

13. Events after the reporting period

There are no events which have occurred after the reporting period which would be material to the financial statements.

Approval of interim financial statements

These Condensed Consolidated Interim Financial Statements were approved by the Board of Directors on 10 August 2017.

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

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About Horizonte Minerals:

Horizonte Minerals plc is an AIM and TSX-listed nickel development company focused 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 2019.

The Project has good infrastructure in place including rail, road, water and power.

Horizonte has a strong shareholder structure including Teck Resources Limited 17.9%, Lombard Odier Asset Management (Europe) Limited 14.11%, Richard Griffiths 14.5%, JP Morgan 8.4%, Hargreave Hale 6.4% and Glencore 6.4%.

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.