

**Horizonte Minerals plc ('Horizonte' or 'the Company')**  
**Financial Results for the Third Quarter 2011 and Management Discussion and Analysis**

Horizonte, the AIM and TSX quoted Brazilian focussed exploration and development company, announces that it has today published its unaudited financial results for the three and nine month periods ending 30 September 2011. The Management Discussion and Analysis for the same periods have also been published.

In addition to this document, both of the above have been posted on the Company's website at [www.horizonteminerals.com](http://www.horizonteminerals.com) and are also available on SEDAR at [www.sedar.com](http://www.sedar.com).

**Company Overview**

- Nickel and gold exploration and development company focussed in Brazil with the support of two mining majors, Teck Resources and AngloGold Ashanti
- Fast-tracking development of flagship Araguaia Nickel Project ('Araguaia') – defined mineral resource of 76.6 million tonnes grading 1.35% nickel ('Ni')
- Consolidated land position around Araguaia via the acquisition of the Vila Oito and Floresta nickel projects
- Mineral resource to be upgraded in Q4 2011 / Q1 2012
- In addition the Company has initiated the following activities which are currently in progress at Araguaia:
  - Preliminary Economic Assessment ('PEA') commenced September 2011
  - Environmental Baseline Study commenced in October 2011
  - Pyrometallurgical test work including Thermal Characterisation and Batch Smelting Tests are being undertaken at Xstrata's Process Support in Sudbury, Canada
  - Hydrometallurgical test work including Bottle Roll Leaching and Atmospheric Tank Leaching tests are being undertaken at the Wardell-Armstrong laboratory in the UK
- 3,000m diamond drilling programme at Falcao Gold Project ('Falcao') in south Carajas, Brazil underway with partner AngloGold Ashanti
- Strong cash position: £7.05 million as at end-September 2011

**Highlights for the Third Quarter of 2011**

- The Company announced on 4 July 2011 that a 3,000m diamond drilling programme had commenced at Falcao
- A definitive agreement was entered into on 12 July 2011 with Lara Exploration Ltd with respect to the Vila Oito and Floresta nickel laterite projects. Completion of the transaction is subject to certain administrative steps in Brazil

being achieved. Consideration to be paid will be as per the Heads of Agreement announced on 18 January 2011

- Further drill results were announced for Araguaia on 21 July 2011
- The Company announced on 12 September 2011 further drill results at Araguaia

### Financial Highlights

	3 months ended 30 September 2011 £	9 months ended 30 September 2011 £	3 months ended 30 September 2010 £	9 months ended 30 September 2010 £
Profit / (loss from continuing operations	(552,096)	(1,195,453)	(129,856)	(818,307)
Capitalised Exploration expenditure	1,758,952	3,743,580	520,356	621,531
Cash at end of period	7,051,095	7,051,095	4,643,813	4,643,813
Shareholders Equity at end of period	33,657,645	33,657,645	29,180,266	29,180,266

**Horizonte Minerals plc**  
**Condensed Consolidated Interim Financial Statements**  
**for the nine months ended 30 September 2011**

**Condensed consolidated statement of comprehensive income**

	Notes	9 months ended		3 months ended	
		Sep 30		Sep 30	
		2011	2010	2011	2010
		Unaudited	Unaudited	Unaudited	Unaudited
		£	£	£	£
<b>Continuing operations</b>					
<b>Revenue</b>		-	-	-	-
Cost of sales		-	-	-	-
<b>Gross profit</b>		-	-	-	-
Administrative expenses		(1,368,092)	(767,341)	(472,696)	(236,100)
Acquisition costs expensed		-	(490,403)	-	(336,068)
Toronto Stock Exchange listing fees and associated costs		(234,863)	-	(44,510)	-
(Loss)/gain on foreign exchange		133	(642)	(82,497)	2,233
Other operating income	5	407,369	440,079	47,607	440,079
<b>Loss from operations</b>		(1,195,453)	(818,307)	(552,096)	(129,856)
Gain on purchase of subsidiary undertaking		-	1,798,251	-	1,798,251
Gain on sale of fixed asset		10,876	-	10,876	-
Finance income		95,199	1,571	37,179	178
Finance costs		(136,944)	(22,011)	(45,648)	(22,011)
<b>(Loss)/Profit before taxation</b>		<b>(1,226,322)</b>	<b>959,504</b>	<b>(549,689)</b>	<b>1,646,562</b>

Taxation	-	-	-	-
<b>(Loss)/Profit for the period from continuing operations</b>	<b>(1,226,322)</b>	<b>959,504</b>	<b>(549,689)</b>	<b>1,646,562</b>
<b>Other comprehensive income</b>				
Exchange differences on translating foreign operations	(2,085,951)	608,921	(2,743,512)	608,921
<b>Total comprehensive income for the period attributable to equity holders of the Company</b>	<b>(3,312,273)</b>	<b>1,568,425</b>	<b>(3,293,201)</b>	<b>2,255,483</b>
<b>Earnings per share from continuing operations attributable to the equity holders of the Company</b>				
Basic and diluted (pence per share)	9	<b>(0.447)</b>	<b>1.08</b>	<b>(0.197)</b>
				<b>1.10</b>

## Condensed consolidated statement of financial position

		30 September 2011 Unaudited	31 December 2010 Audited
	Notes	£	£
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	6	19,099,709	16,918,202
Property, plant & equipment		166,782	168,223
Deferred taxation		7,261,316	8,079,087
		26,527,807	25,165,512
<b>Current assets</b>			
Trade and other receivables		78,743	72,314
Cash and cash equivalents		7,051,095	3,847,031
		7,129,838	3,919,345
<b>Total assets</b>		<b>33,657,645</b>	<b>29,084,857</b>
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the parent</b>			
Issued capital	7	2,795,600	2,465,605
Share premium	7	18,772,797	11,283,355
Other reserves		8,847,341	10,933,292
Accumulated losses		(3,265,365)	(2,184,252)
<b>Total equity</b>		27,150,373	22,498,000
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Contingent consideration		2,813,447	2,676,502
Deferred taxation		3,155,915	3,511,338
		5,969,362	6,187,840
<b>Current liabilities</b>			
Trade and other payables		537,910	399,017
		537,910	399,017
<b>Total liabilities</b>		6,507,272	6,586,857
<b>Total equity and liabilities</b>		<b>33,657,645</b>	<b>29,084,857</b>

## Condensed statement of changes in shareholders' equity

	Attributable to the owners of the parent				Total £
	Share capital £	Share premium £	Accumulated losses £	Other reserves £	
<b>As at 1 January 2010</b>	<b>590,191</b>	<b>6,811,399</b>	<b>(2,867,224)</b>	<b>(1,048,100)</b>	<b>3,486,266</b>
<b>Comprehensive income</b>					
Profit / (Loss) for the period	-	-	959,504	-	959,504
<b>Other comprehensive income</b>					
Currency translation differences	-	-	-	608,921	608,921
<b>Total comprehensive income</b>	-	-	959,504	608,921	1,568,425
<b>Transactions with owners</b>					
Share based payments	-	-	12,818	-	12,818
Issue of ordinary shares	1,875,414	4,883,503	-	10,995,621	17,754,538
Issue costs	-	(411,547)	-	(106,861)	(518,408)
<b>Total transactions with owners</b>	<b>1,875,414</b>	<b>4,471,956</b>	<b>12,818</b>	<b>10,888,760</b>	<b>17,248,948</b>
<b>As at 30 September 2010</b>	<b>2,465,605</b>	<b>11,283,355</b>	<b>(1,894,902)</b>	<b>10,449,581</b>	<b>22,303,639</b>
<b>As at 1 January 2011</b>	<b>2,465,605</b>	<b>11,283,355</b>	<b>(2,184,252)</b>	<b>10,933,292</b>	<b>22,498,000</b>
<b>Comprehensive income</b>					
Loss for the period	-	-	(1,226,322)	-	(1,226,322)
<b>Other comprehensive income</b>					
Currency translation differences	-	-	-	(2,085,951)	(2,085,951)

<b>Total comprehensive income</b>	-	-	(1,226,322)	(2,085,951)	(3,312,273)
<b>Transactions with owners</b>					
Issue of ordinary shares	329,995	7,919,880	-	-	8,249,875
Issue costs	-	(430,438)	-	-	(430,438)
Share based payments	-	-	145,209	-	145,209
<b>Total transactions with owners</b>	<b>329,995</b>	<b>7,489,442</b>	<b>145,209</b>	<b>-</b>	<b>7,964,646</b>
<b>As at 30 September 2011</b>	<b>2,795,600</b>	<b>18,772,797</b>	<b>(3,265,365)</b>	<b>8,847,341</b>	<b>27,150,373</b>

### Condensed Consolidated Statement of Cash Flows

	9 months ended 30 September		3 months ended 30 September	
	2011	2010	2011	2010
	Unaudited £	Unaudited £	Unaudited £	Unaudited £
<b>Cash flows from operating activities</b>				
Profit / (Loss) before taxation	(1,226,322)	959,504	(549,689)	1,646,562
Interest income	(95,199)	(1,571)	(37,179)	(178)
Finance costs	136,945	22,011	45,649	22,011
Exchange differences	(1,688)	28,734	10,134	28,734
Employee share options charge	145,209	12,818	52,089	4,339
Gain on bargain purchase of subsidiary undertaking	-	(1,798,251)	-	(1,798,251)
Profit on sale of property, plant and equipment	(10,876)	-	(10,876)	-
Transaction fees settled by share issue	-	150,000	-	150,000
Gain on investment	-	(440,079)	-	(440,079)
Depreciation	4,109	10,103	1,465	3,558
<b>Operating profit / (loss) before changes in working capital</b>	<b>(1,047,822)</b>	<b>(1,056,731)</b>	<b>(488,407)</b>	<b>(383,304)</b>

(Increase) / decrease in trade and other receivables	(6,429)	(99,147)	293,308	35,428
Increase / (decrease) in trade and other payables	138,894	423,655	(746,183)	69,310
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(915,357)</b>	<b>(732,223)</b>	<b>(941,282)</b>	<b>(278,566)</b>
<b>Cash flows from investing activities</b>				
Net purchase of intangible assets	(3,743,580)	(621,531)	(1,758,952)	(520,356)
Purchase of property, plant and equipment	(62,511)	(44,720)	1,832	-
Proceeds from sale of property, plant and equipment	10,876	-	10,876	-
Cash acquired in subsidiary	-	957	-	957
Interest received	95,199	1,571	37,179	178
<b>Net cash used in investing activities</b>	<b>(3,700,016)</b>	<b>(663,723)</b>	<b>(1,709,065)</b>	<b>(519,221)</b>
<b>Cash flows from financing activities</b>				
Proceeds from issue of ordinary shares (net of issue costs)	7,819,437	4,757,707	-	4,948,417
<b>Net cash inflow from financing activities</b>	<b>7,819,437</b>	<b>4,757,707</b>	<b>-</b>	<b>4,948,417</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,204,064</b>	<b>3,361,761</b>	<b>(2,650,347)</b>	<b>4,150,630</b>
Cash and cash equivalents at beginning of period	3,847,031	1,281,410	9,701,372	492,541
Exchange (losses)/gains on cash and cash equivalents	0	642	70	642
<b>Cash and cash equivalents at end of the period</b>	<b>7,051,095</b>	<b>4,643,813</b>	<b>7,051,095</b>	<b>4,643,813</b>

### Major non-cash transactions

On 17 August 2010, the Company issued 123,280,240 ordinary shares in consideration for the purchase of the entire share capital of Teck Cominco Brasil S.A. and 10,000,000 ordinary shares in consideration for the purchase of the entire share capital of Lontra Empreendimentos e Participações Ltda. On the same date the Company issued a further 3,000,000 ordinary shares to certain professional advisors in settlement of services in relation to the acquisitions and placement of shares.



During 2010 intangible exploration and evaluation costs of £484,921 were disposed of in exchange for shares in a joint venture company.

## **Notes to the Financial Statements**

### **1. General information**

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

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

### **2. Basis of preparation**

The condensed interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards and in accordance with International Accounting Standard 34 *Interim Financial Reporting*. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2010, which have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union.

The condensed interim financial statements set out above do not constitute statutory accounts within the meaning of the Companies Act 2006. They have been prepared on a going concern basis in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as adopted by the European Union. Statutory financial statements for the year ended 31 December 2010 were approved by the Board of Directors on 3 March 2011 and delivered to the Registrar of Companies. The report of the auditors on those financial statements was unqualified.

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

### ***Going concern***

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

### ***Risks and uncertainties***

The Board continuously assesses and monitors the key risks of the business. The key risks that could affect the Group's medium term performance and the factors that mitigate those risks have not substantially changed from those set out in the Group's 2010 Annual Report and Financial Statements, a copy of which is available on the Group's website: [www.horizonteminerals.com](http://www.horizonteminerals.com). The key financial risks are liquidity risk, foreign exchange risk, credit risk, price risk and interest rate risk.

### ***Critical accounting estimates***

The preparation of condensed interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period. Significant items subject to such estimates are set out in note 4 of the Group's 2010 Annual Report and Financial Statements. The nature and amounts of such estimates have not changed significantly during the interim period.

### **3. Significant accounting policies**

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

The same accounting policies, presentation and methods of computation have been followed in these condensed interim financial statements as were applied in the preparation of the Group's financial statements for the year ended 31 December 2010, except for the impact of the adoption of the Standards and interpretations described below.

The preparation of condensed interim financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's Accounting Policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the condensed interim financial statements, are disclosed in Note 4 of the Group's 2010 Annual Report and Financial Statements.

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

(a) New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2011 but not currently relevant to the Group.

The following standards and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2011 or earlier periods, but not currently relevant to the Group.

A revised version of IAS 24 "Related Party Disclosures" simplified the disclosure requirements for government-related entities and clarified the definition of a related party. This revision was effective for periods beginning on or after 1 January 2011.

An amendment to IFRS 1 "First-time Adoption of International Financial Reporting Standards" relieved first-time adopters of IFRSs from providing the additional disclosures introduced in March 2009 by "Improving Disclosures about Financial Instruments" (Amendments to IFRS 7). This amendment was effective for periods beginning on or after 1 July 2010.

Amendments to IFRS 7 "Financial Instruments: Disclosures" were designed to help users of financial statements evaluate the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position. These amendments were effective for periods beginning on or after 1 January 2011 but are still subject to EU endorsement.

Amendments to IAS 32 "Financial Instruments: Presentation" addressed the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer. These amendments were effective for periods beginning on or after 1 February 2010.

IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments" clarified the treatment required when an entity renegotiates the terms of a financial liability with its creditor, and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. This interpretation was effective for periods beginning on or after 1 July 2010.

An amendment to IFRIC 14 "IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction", on prepayments of a minimum funding requirement, applies in the limited circumstances when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendment permitted such an entity to treat the benefit of such an early payment as an asset. This amendment was effective for periods beginning on or after 1 January 2011.

(b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2011 and not early adopted

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

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

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

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

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

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

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

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

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

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

#### 4. Segmental reporting

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

<b>2011</b>	UK	Brazil	Peru	Total
	9 months	9 months	9 months	9 months
	ended	ended	ended	ended
	30	30	30	30 September
	September	September	September	2011
	2011	2011	2011	
	£	£	£	£
Revenue	-	-	-	-
Administrative expenses	(1,085,779)	(262,368)	(19,945)	(1,368,092)

Profit / (Loss) on foreign exchange	133	-	-	133
Listing fees and associated costs	(234,863)	-	-	(234,863)
Other operating income	407,369	-	-	407,369
Loss from operations per reportable segment	(913,140)	(262,368)	(19,945)	(1,195,453)
Inter segment revenues	-	179,041	39,120	218,161
Depreciation charges	(611)	(3,498)	-	(4,109)
Additions to non-current assets	-	3,864,885	-	3,864,885
Reportable segment assets	6,922,127	25,956,482	779,036	33,657,645
Reportable segment liabilities	3,155,212	3,352,060	-	6,507,272

<b>2010</b>	UK	Brazil	Peru	Total
	9 months ended 30 September 2010	9 months ended 30 September 2010	9 months ended 30 September 2010	9 months ended 30 September 2010
	£	£	£	£
Revenue	-	-	-	-
Administrative expenses	(463,425)	(208,461)	(95,455)	(767,341)
Profit / (Loss) on foreign exchange	(642)	-	-	(642)
Other operating income		440,079		440,079
Acquisition costs expensed	(490,403)	-	-	(490,403)
Loss from operations per reportable segment	(954,470)	231,618	(95,455)	(818,307)
Inter segment revenues		89,266	37,261	126,527
Depreciation charges	310	9,793	-	10,103
Additions to non-current assets	-	646,149	-	646,149
Reportable segment assets	4,635,205	23,732,453	812,608	29,180,266
Reportable segment liabilities	3,453,150	3,423,478	-	6,876,628

<b>2011</b>	UK	Brazil	Peru	Total
	3 months	3 months	3 months	3 months
	ended	ended	ended	ended
	30	30	30	30 September
	September	September	September	2011
	2011	2011	2011	
	£	£	£	£
Revenue	-	-	-	-
Administrative expenses	(326,901)	(135,298)	(10,497)	(472,696)
Profit/(loss) on foreign exchange	(82,497)	-	-	(82,497)
Listing fees and associated costs	(44,510)	-	-	(44,510)
Other operating Income	47,607	-	-	47,607
Loss from operations per reportable segment	(406,301)	(135,298)	(10,497)	(552,096)
Inter segment revenues	-	99,034	13,199	112,233
Depreciation charges	(247)	(1,218)	-	(1,465)
Additions to non-current assets	-	1,941,100	-	1,941,100
<b>2010</b>	UK	Brazil	Peru	Total
	3 months	3 months	3 months	3 months
	ended	ended	ended	ended
	30	30	30	30 September
	September	September	September	2010
	2010	2010	2010	
	£	£	£	£
Revenue	-	-	-	-
Administrative expenses	(137,386)	(53,915)	(44,799)	(236,100)
Profit/(loss) on foreign exchange	2,233	-	-	2,233
Acquisition costs expensed	(336,068)	-	-	(336,068)
Other operating Income	-	440,079	-	440,079
Loss from operations per reportable segment	(471,221)	386,164	(44,799)	(129,856)
Inter segment revenues	-	31,571	12,899	44,470
Depreciation charges	46	3,512	-	3,558
Additions to non-current assets	-	554,974	-	554,974

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

	9 months ended 30 September 2011 £	9 months ended 30 September 2010 £	3 months ended 30 September 2011 £	3 months ended 30 September 2010 £
Profit/(Loss) from operations per reportable segment	(1,195,453)	(818,307)	(552,096)	(129,856)
– Gain on bargain purchase	-	1,798,251	-	1,798,251
– Gain on sale of fixed asset	10,876		10,876	
– Finance income	95,199	1,571	37,179	178
– Finance costs	(136,944)	(22,011)	(45,648)	(22,011)
Profit/(Loss) for the period from continuing operations	(1,226,322)	959,504	(549,689)	1,646,562

## 5. Other operating income

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

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

## 6. Intangible assets

Intangible assets comprise exploration and evaluation costs and goodwill. Exploration and evaluation costs comprise internally generated and acquired assets. Additions are net of amounts payable by the Group’s strategic partners under various joint venture agreements, amounting to £ 885,655.



Group	Goodwill	Exploration and evaluation costs	Total
	£	£	£
Cost			
At 1 January 2011	435,751	16,482,451	16,918,202
Additions	-	3,800,542	3,800,542
Exchange rate movements	(47,422)	(1,571,613)	(1,619,035)
<b>Net book amount at 30 September 2011</b>	<b>388,329</b>	<b>18,711,380</b>	<b>19,099,709</b>

## 7. Share Capital

Issued and fully paid	Number of shares	Ordinary shares £	Share premium £	Total £
<b>At 1 January 2011</b>	<b>246,560,480</b>	<b>2,465,605</b>	<b>11,283,355</b>	<b>13,748,960</b>
Issue of ordinary shares	32,999,500	329,995	7,919,880	8,249,875
Issue costs	-	-	(430,438)	(430,438)
<b>At 30 September 2011</b>	<b>279,559,980</b>	<b>2,795,600</b>	<b>18,772,797</b>	<b>21,568,397</b>

## 8. Dividends

No dividend has been declared or paid by the Company during the nine months ended 30 September 2011 (2010: nil).

## 9. Loss per share

The calculation of the basic loss per share of 0.447 pence for the 9 months ended 30 September 2011 (30 September 2010 earnings per share: 1.08 pence) is based on the loss attributable to the equity holders of the Company of £1,226,322 for the nine month period ended 30 September 2011 (30 September 2010: profit £959,504) divided by the weighted average number of shares in issue during the period of 272,084,955 (weighted average number of shares for the 9 months ended 30 September 2010: 89,245,546).

The calculation of the basic loss per share of 0.197 pence for the 3 months ended 30 September 2011 (30 September 2010 earnings per share: 1.10 pence) is based on the loss attributable to the equity holders of the Company of £549,689 for the three month period ended 30 September 2011 (3 months ended 30 September 2010: profit £1,646,562) divided by the weighted average number of shares in issue during the

period of 279,559,980 (weighted average number of shares for the 3 months ended 30 September 2010: 150,347,008).

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 2010.

#### **10. Ultimate controlling party**

The Directors believe there to be no ultimate controlling party.

#### **11. Related party transactions**

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

#### **12. Commitments**

The Group had capital expenditure contracted for at the end of the reporting period but not yet incurred of £289,000 relating to intangible exploration assets. All other commitments remain as stated in the Group's Annual Financial Statements for the year ended 31 December 2010.

#### **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

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

The Condensed interim financial statements were approved by the Board of Directors on 14 November 2011.

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

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

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## Notes

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

Horizonte has two committed major mining partners: Teck Resources Limited, a major strategic shareholder in the Company, and AngloGold Ashanti Holdings plc, a JV partner on the gold portfolio.

Horizonte owns 100 per cent of the advanced Araguaia nickel project located to the south of the Carajas mineral district of northern Brazil; the project has the potential to deliver a resource with size and grades comparable to other world-class projects in northern Brazil

In addition Horizonte acquired the Lara Exploration Vila Oito project which has a non compliant potential resource of 10 to 11 Mt grading 1.3 to 1.4% Ni further consolidating the greater Araguaia district.

Horizonte is well funded to accelerate the development of its core projects.

Horizonte Minerals prepared this news release and David Hall, an independent Qualified Person under National Instrument 43-101, has reviewed and approved the technical information contained herein.

### **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 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”. In addition, statements relating to “mineral reserves” or “mineral resources” are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the mineral resources and mineral reserves described can be profitably mined in the future. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, and are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: exploration and mining risks, competition from competitors with greater capital; the Company’s lack of experience with respect to development-stage mining operations; fluctuations in metal prices; uninsured risks; environmental and other regulatory requirements; exploration, mining and other licences; the Company’s future payment obligations; potential disputes with respect to the Company’s title to, and the area of, its mining concessions; the Company’s dependence on its ability to obtain sufficient financing in the future; the Company’s dependence on its relationships with third parties; the Company’s joint ventures; the potential of currency fluctuations and political or economic instability in countries in which the Company operates; currency exchange fluctuations; the Company’s ability to manage its growth effectively; the trading market for the ordinary shares of the Company; uncertainty with respect to the Company’s plans to continue to develop its operations and new projects; the Company’s dependence on key personnel; possible conflicts of interest of directors and officers of the Company, and various risks associated with the legal and regulatory framework within which the Company operates.*

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