HORIZONTE MINERALS

NEWS RELEASE
14 August 2012

HORIZONTE MINERALS – INTERIM FINANCIAL RESULTS AND MANAGEMENT DISCUSSION AND ANALYSIS

14 August 2012 - Horizonte Minerals Plc, (AIM: HZM, TSX: HZM) ('Horizonte' or 'the Company') the exploration and development company focussed in Brazil, is pleased to announce its unaudited financial results for the six months to 30 June 2012. The Management Discussion Analysis for the same period has also been published.

In addition to this document, 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.

Overview

- Advancing the Araguaia Nickel Project through to Pre-Feasibility - major milestones achieved during H1 2012.
- 31% increase in NI 43-101 Mineral Resource Estimate at Araguaia Nickel Project to 39.3 million tonnes grading 1.39% Ni (Indicated) and 60.9 million tonnes averaging 1.22% Ni (Inferred) using a 0.95% nickel cut-off.
- Within the global resource at Araguaia defined higher grade zones - 24.2 million tonnes grading 1.6% nickel using a 1.2% nickel cut-off in the Indicated category.
- Completed preliminary metallurgical testwork at Araguaia – project amenable to the commercially proven Rotary Kiln Electric Furnace (RKEF) process.
- Preliminary Economic Assessment at Araguaia due for release mid-Q3 2012
- First phase drilling programme completed at Falcao Gold Project funded by JV partner AngloGold Ashanti with encouraging gold mineralisation reported from initial drill results.
- Successfully completed a £5.2 million placing, strong cash position to deliver project milestones.
- Expanded management team with the appointment of Dr Philip Mackey, formerly member of Xstrata and Falconbridge and with over 40 years of experience, as Senior Metallurgical Advisor.

Chairman's Statement

The first half of the year has seen the Company deliver a number of project milestones on track and on budget as we maintain our position as a leading exploration and development company in Brazil. Our primary focus during the period has been to advance our flagship 100%-owned Araguaia nickel project ('Araguaia') up the development curve and towards the Pre-Feasibility stage. To this end we have updated and increased the mineral resource estimate, completed preliminary metallurgical testwork, and have been conducting a Preliminary Economic Assessment ('PEA') which is due to be completed mid-Q3 2012. We also have an active joint venture in northern Brazil which we are developing with our partner AngloGold Ashanti Limited ('AngloGold'), which is progressing well and importantly gives us a secondary commodity focus with minimum capital risk exposure to the Company.

The year started with us announcing an updated mineral resource estimate at Araguaia which increased and upgraded the NI 43-101 resource by 31% to 39.3 million tonnes grading 1.39% nickel in the Indicated category and 60.9 million tonnes averaging 1.22% nickel in the Inferred category using a 0.95% nickel cut-off. Within this resource we also defined the existence of higher grade zones i.e. 24.2 million tonnes with a grade of 1.6% nickel using a 1.2% nickel cut-off. This is significant as the presence of higher grade ore is critical to the early mine life economics.

The resource estimate lifts Araguaia to be one of the more attractive nickel assets globally in terms of size and grade and, with the advantage of excellent location and infrastructure, it has the potential to be a major development project with a substantial mine life of over 25 years. For these reasons, I believe Araguaia draws parallels with other large scale nickel projects such as Vale's Onca Puma and Anglo's Barro Alto projects, which are both neighbours of ours in Brazil.

In March 2012 we also completed preliminary metallurgical testwork at Araguaia. This is another vital step in Araguaia's development path and ensures no fundamental flaws with the metallurgical characteristics of the ore, and in essence acts as a major step in de-risking the project. As a part of this testwork we assessed two routes to allow us optionality for the PEA. The results I am delighted to report were highly encouraging for both the pyrometallugical and hydrometallurgical test programmes, demonstrating two process routes that with additional testing are potentially suitable for commercial production.

It is also important to note that Araguaia is ideally located in a country where there are four plants producing ferronickel via the pyrometallurgical route including Anglo American's

Barro Alto project that started nickel production in March 2011. The results returned from our initial pyrometallurgical tests at Araguaia showed that it is possible to produce ferronickel with grades ranging from 35.3% nickel to 40.5% nickel with good overall recovery rates, which again is highly promising.

Additionally, work is well underway on the PEA at Araguaia which is due to be completed and announced mid-Q3 2012. The PEA will give a base case valuation on the project in terms of applying pit optimisation to the resource, mining scheduling and costs on the different treatment routes to provide initial economic parameters to the project. The PEA has run approximately six weeks behind schedule due to delays with third party contractors, however we look forward to reporting results shortly.

Araguaia is a long life project, and it is interesting to note current and long-term views on nickel supply/demand and prices. A presentation at the PDAC mining conference in March 2012 by Mark Selby of Royal Nickel summarised that for 2012 to 2015 there is a largely balanced nickel market with no great oversupply. However, even with all the nickel projects currently under construction, China alone is expected to consume this production, even if higher risk projects are also successfully commissioned.

Beyond 2015, as Mark put it “the cupboard is bare” – there are very few projects in the pipeline. China is going to need a further +1 million tonnes of nickel before the end of this decade. Add to this what the rest of the world (led by Russia, India and Brazil) will need and there is a looming supply gap. It is noteworthy that as an economy such as China’s industrialises, demand moves from more basic materials like carbon steel into stainless steels and ultimately into speciality alloys that require a lot of nickel and will drive non-stainless nickel consumption in China. China’s current nickel consumption per capita is still less than half of that of the industrial economies of Western Europe and Japan. By 2015 there are only a few large scale projects and Horizonte, I believe, has one of them in Araguaia.

In terms of financing the development of Araguaia, in 2012 we successfully completed a £5.2 million placing through our existing shareholders including our major shareholder Teck Resources. In the current volatile markets the Board felt that it was important to ensure that the cash position of the Company remained robust so as to continue the rapid development of Araguaia. I believe the placing also illustrates the support for the quality of Araguaia and its potential going forward. These funds will importantly allow us to keep the project moving forward and on track for early development. After the PEA, work will start on another infill resource drilling programme in H2 2012, combined with metallurgical pilot test work that will both feed into the start of the Pre-Feasibility Study in early 2013.

Furthermore, over the period we have also strengthened our management and geological team with a view to securing Araguaia's smooth development. As mentioned, metallurgy is a key factor in the development of nickel laterite projects and with this in mind, we were delighted to report that we enlisted the help of leading metallurgist Dr. Phillip Mackey as Senior Metallurgical Advisor of Horizonte to oversee future work as we advance Araguaia up the development curve. Dr. Mackey is a consulting metallurgical engineer with over forty years' experience in non-ferrous metals processing with a particular focus on nickel and copper sulphide smelting and nickel laterite processing. He has worked for leading producers of nickel including Falconbridge and Xstrata and throughout his career he has been involved in a number of nickel sulphide projects and later on nickel laterite projects at various stages of the development cycle from laboratory testing and pilot plant operations to commercial scale processing. His world class expertise in metallurgical processing, especially in the nickel arena, will be invaluable to us as we progress Araguaia.

Philip joins our expanding team that includes Roger Billington, Technical Manager, and non-executive directors Bill Fisher and Owen Bavinton, all with extensive nickel laterite experience.

In addition to Araguaia, Horizonte is developing the Falcao Gold Project ('Falcao') with a major mining partner: AngloGold. Falcao is located in southern Pará State, north central Brazil. AngloGold committed £1.6 million for 2012 to further funding to test the project.

At Falcao a total of 3,663 metres of drilling has been completed in 15 diamond drill holes in the first phase of drilling. Initial drill results were reported on 16 November 2011 (drill holes 1 to 7) with encouraging gold mineralisation reported in drill holes 1, 2 and 3, specifically.

DDH-001 returned 11.1m grading 1.21 g/t Au from 59 m, DDH-002 returned 48.9 m grading 0.93g/t Au from 172 m including 15.76 m grading 1.65g/t Au, and DDH-003 returned a high grade interval of 1.67 m grading 27.70 g/t Au.

The results from holes 8 to 15 show continuity of gold mineralisation within a zone of 800 metres encompassed by holes 1, 2, 3 and 12 and 14 over 800 metres in a ENE trend.

DDH-12 returned:

- 93.9 m to 101 m averaging 0.81 g/t Au
- 93.9 m to 108 m averaging 0.55 g/t Au
- 86.0 m to 112.2 m averaging 0.35 g/t Au

DDH-14 returned:

- 73 m to 138 m grading 0.82 g/t Au including 86.99 m to 103 m @ 2.63 g/t Au including 1m @ 14.67 g/t Au
- 112m to 138m @ 1.14 g/t Au

A single interval of 1m grading 5.62 g/t Au was returned at 147 m to 148 m in Fal-DDH-13. No significant values were obtained in holes 8, 9, 10, 11, and 15.

The main mineralised zone defined is associated with altered felsic rocks, namely sericite schists with variable amounts of pyrite mineralisation. The mineralisation is open to east and further soil sampling and IP ground geophysics has been undertaken to attempt to define further continuity along this trend.

Horizonte, with AngloGold, is reviewing all information as well as awaiting results from the soil sampling and IP survey with a view to planning a second phase of diamond drilling on this early stage exploration project in Q3 2012.

Additionally, through our wholly owned subsidiary HM do Brasil Ltda we signed a Heads of Terms Agreement granting Magellan Minerals Ltd ('Magellan'), a Canadian gold exploration company (TSX-V: MNM), an option to earn up to a 70% interest in the Company's 1,553 ha Agua Azul do Norte gold property, located in the Carajas mining region in northern Brazil. Magellan has an initial option to earn into 51% for a total cash consideration of US$320,000 staggered over a 36 month period and a minimum exploration spend of US$1,500,000 on the project. This latest JV with Magellan again underpins our strategy of monetising our gold assets whilst advancing them up the development curve with a view to defining resources, and maximising additional value uplift from our gold portfolio for shareholders, at no cost to Horizonte.

The period under review has been one of substantial achievement and growth for Horizonte, with many milestones achieved. The coming second half of the year will see your Company advancing Araguaia where a clear and exciting development path has been set as we approach the Pre-Feasibility stage. This will bring us one step closer to production to fill at least in part that "bare cupboard" beyond 2015 in terms of nickel supply. Falcao will continue to be explored and fully funded by our partner AngloGold Ashanti. With a robust cash position, a well established management team in the nickel arena, I feel confident on our progress going forward.

Finally, I would like to take this opportunity to thank our loyal shareholders for your on-going support and likewise express my thanks to CEO Jeremy Martin, the management team and the Board.

David J. Hall
Chairman
14 August 2012

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Horizonte Minerals plc

Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2012

Condensed consolidated statement of comprehensive income

		6 months ended June 30		3 months ended June 30	
		2012	2011	2012	2011
		Unaudited	Unaudited	Unaudited	Unaudited
	Notes	£	£	£	£
Continuing operations					
Revenue		-	-	-	-
Cost of sales		-	-	-	-
Gross profit		-	-	-	-
Group Administrative expenses		(909,983)	(802,278)	(434,744)	(347,678)
Charge for Share Options Granted		(232,755)	(93,118)	(116,377)	(46,558)
Toronto Stock Exchange listing fees and associated costs		(62,982)	(190,353)	(25,932)	(190,353)
(Loss)/gain on foreign exchange		(85,197)	82,630	(8,344)	96,072
Other operating income	5	73,935	359,762	44,987	32,652
Loss from operations		(1,216,982)	(643,357)	(540,410)	(455,865)
Finance income		43,391	58,020	15,083	15,238
Finance costs		(83,929)	(91,296)	(41,964)	(45,648)

Loss before taxation		**(1,257,520)**	**(676,633)**	**(567,291)**	**(486,275)**
Taxation		-	-	-	-
Loss for the year from continuing operations		**(1,257,520)**	**(676,633)**	**(567,291)**	**(486,275)**
Other comprehensive income					
Currency translation differences on translating foreign operations		(1,984,515)	657,561	(1,826,288)	942,032
Total comprehensive income for the period attributable to equity holders of the Company		**(3,242,035)**	**(19,072)**	**(2,393,579)**	**455,757**
Earnings per share from continuing operations attributable to the equity holders of the Company					
Basic and diluted (pence per share)	9	**(0.43)**	**(0.25)**	**(0.19)**	**(0.17)**

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Condensed consolidated statement of financial position

	Notes	30 June 2012 Unaudited £	31 December 2011 Audited £
Assets			
Non-current assets			
Intangible assets	6	20,149,784	19,355,457
Property, plant & equipment		155,749	139,264
Deferred taxation		6,632,406	7,243,524
		26,937,939	26,738,245
Current assets			
Trade and other receivables		40,126	172,906
Cash and cash equivalents		8,801,564	5,856,949
		8,841,690	6,029,855
Total assets		**35,779,629**	**32,768,100**
Equity and liabilities			
Equity attributable to owners of the parent			
Issued capital	7	3,600,462	2,795,600
Share premium	7	24,384,527	18,772,797
Other reserves		6,548,769	8,533,284
Accumulated losses		(4,724,779)	(3,700,015)
Total equity		**29,808,979**	**26,401,666**
Liabilities			
Non-current liabilities			
Contingent consideration		2,799,294	2,715,365
Deferred taxation		2,882,581	3,148,185
		5,681,875	5,863,550
Current liabilities			
Trade and other payables		288,775	502,884
Total liabilities		5,970,650	6,366,434
Total equity and liabilities		**35,779,629**	**32,768,100**

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 2011	**2,465,605**	**11,283,355**	**(2,184,252)**	**10,933,292**	**22,498,000**
Comprehensive income					
Loss for the period	-	-	(676,633)	-	(676,633)
Other comprehensive income					
Currency translation differences	-	-	-	657,561	657,561
Total comprehensive income	-	-	(676,633)	657,561	(19,072)
Transactions with owners					
Issue of ordinary shares	329,995	7,919,880	-	-	8,249,875
Issue costs	-	(430,438)	-	-	(430,438)
Share based payments	-	-	93,118	-	93,118
Total transactions with owners	329,995	7,489,442	93,118	-	7,912,555
As at 30 June 2011	**2,795,600**	**18,772,797**	**(2,767,767)**	**11,590,853**	**30,391,483**
As at 1 January 2012	**2,795,600**	**18,772,797**	**(3,700,015)**	**8,533,284**	**26,401,666**
Comprehensive income					
Loss for the period	-	-	(1,257,520)	-	(1,257,520)
Other comprehensive income					
Currency translation differences	-	-	-	(1,984,515)	(1,984,515)
Total comprehensive income	-	-	(1,257,520)	(1,984,515)	(3,242,035)

Transactions with owners					
Issue of ordinary shares	804,862	5,710,387	-	-	6,515,249
Issue costs	-	(98,657)	-	-	(98,657)
Share based payments	-	-	232,756	-	232,756
Total transactions with owners	804,862	5,611,730	232,756	-	6,649,348
As at 30 June 2012	**3,600,462**	**24,384,527**	**(4,724,779)**	**6,548,769**	**29,808,979**

Condensed Consolidated Statement of Cash Flows

	6 months ended 30 June		3 months ended 30 June	
	2012	**2011**	**2012**	**2011**
	Unaudited	**Unaudited**	**Unaudited**	**Unaudited**
	£	**£**	**£**	**£**
Cash flows from operating activities				
Loss before taxation	**(1,257,520)**	**(676,633)**	**(567,291)**	**(486,275)**
Interest income	**(43,392)**	**(58,020)**	**(15,084)**	**(15,238)**
Finance costs	**83,930**	**91,296**	**41,965**	**45,648**
Exchange differences	**65,602**	**(11,822)**	**8,344**	**(11,822)**
Employee share options charge	**232,756**	**93,120**	**116,378**	**46,560**
Depreciation	**3,176**	**2,644**	**1,545**	**411**
Operating loss before changes in working capital	**(915,448)**	**(559,415)**	**(414,143)**	**(420,716)**
Increase / (decrease) in trade and other receivables	**(213,492)**	**(299,737)**	**9,585**	**(290,987)**
Increase / (decrease) in trade and other payables	**111,746**	**885,077**	**(243,196)**	**889,755**
Net cash inflow/(outflow) from operating activities	**(1,017,194)**	**25,925**	**(647,754)**	**178,052**
Cash flows from investing activities				
Net purchase of intangible assets	**(1,072,313)**	**(1,984,628)**	**(485,629)**	**(1,267,380)**
Purchase of property, plant and equipment	**(64,013)**	**(64,343)**	**(64,013)**	**-**
Interest received	**43,392**	**58,020**	**15,084**	**15,238**
Net cash used in investing activities	**(1,092,934)**	**(1,990,951)**	**(534,558)**	**(1,252,142)**
Cash flows from financing activities				
Proceeds from issue of ordinary shares	**5,218,999**	**8,249,875**	**5,218,999**	**-**
Share issue costs	**(98,657)**	**(430,438)**	**(98,657)**	**-**
Net cash inflow from financing activities	**5,120,342**	**7,819,437**	**5,120,342**	**-**

Net increase/(decrease) in cash and cash equivalents	**3,010,215**	**5,854,411**	**3,938,030**	**(1,074,090)**
Cash and cash equivalents at beginning of period	**5,856,949**	**3,847,031**	**4,871,878**	**10,775,560**
Exchange loss on cash and cash equivalents	**(65,600)**	**(70)**	**(8,344)**	**(98)**
Cash and cash equivalents at end of the period	**8,801,564**	**9,701,372**	**8,801,564**	**9,701,372**

Major non-cash transactions

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

Notes to the Financial Statements

1. General information

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

The condensed interim financial statements set out above do not constitute statutory accounts within the meaning of the Companies Act 2006. They have been prepared on a going concern basis in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as adopted by the European Union. Statutory financial statements for the year ended 31 December 2011 were approved by the Board of Directors on 21 February 2012 and delivered to the Registrar of Companies. The report of the auditors on those financial statements was unqualified.

The condensed interim financial statements of the Company have not been audited but have been 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 June 2012.

Risks and uncertainties

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

Critical accounting estimates and judgements

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 2011 Annual Report and Financial Statements. The nature and amounts of such estimates have not changed significantly during the interim period.

3. Significant accounting policies

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

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

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

3.1. Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- An amendment to IFRS 1 "First-time Adoption of International Financial Reporting Standards" clarifies whether an entity may apply IFRS 1:
(a) if the entity meets the criteria for applying IFRS 1 and has applied IFRS 1 in a previous reporting period; or
(b) if the entity meets the criteria for applying IFRS 1 and has applied IFRSs in a previous reporting period when IFRS 1 did not exist.
The amendment also addresses the transitional provisions for borrowing costs relating to qualifying assets for which the commencement date for capitalisation was before the date of transition to IFRSs.

- An amendment to IAS 1 "Presentation of Financial Statements" clarifies the requirements for providing comparative information:
(a) for the opening statement of financial position when an entity changes accounting policies, or makes retrospective restatements or reclassifications; and
(b) when an entity provides financial statements beyond the minimum comparative information requirements.

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

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

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

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

HORIZONTE MINERALS

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 elsewhere relate to exploration and evaluation work. The reports used by the chief operating decision maker are based on these geographical segments.

2011	UK 6 months ended 30 June 2011 £	Brazil 6 months ended 30 June 2011 £	Other 6 months ended 30 June 2011 £	Total 6 months ended 30 June 2011 £
Revenue	-	-	-	-
Group Administrative expenses	(665,760)	(127,070)	(9,448)	(802,278)
Profit / (Loss) on foreign exchange	82,630	-	-	82,630
Other operating income	359,762	-	-	359,762
Loss from operations per reportable segment	(223,368)	(127,070)	(9,448)	(359,886)
Inter segment revenues	-	80,007	25,921	105,928
Depreciation charges	(364)	(2,280)	-	(2,644)
Additions to non-current assets	-	2,085,769	-	2,085,769
Reportable segment assets	8,680,655	28,631,404	768,711	38,080,770
Reportable segment liabilities	(3,430,318)	(4,258,969)	-	(7,689,287)

2012	UK 6 months ended 30 June 2012 £	Brazil 6 months ended 30 June 2012 £	Other 6 months ended 30 June 2012 £	Total 6 months ended 30 June 2012 £
Revenue	-	-	-	-
Group Administrative expenses	(518,412)	(370,844)	(20,727)	(909,983)
Profit / (Loss) on foreign exchange	(28,705)	(56,492)	-	(85,197)
Other operating income	73,935	-	-	73,935

Loss from operations per reportable segment	(473,182)	(427,336)	(20,727)	(921,245)
Inter segment revenues	-	166,789	32,538	199,327
Depreciation charges	(1,101)	(1,989)	-	(3,090)
Additions to non-current assets	-	2,425,093	-	2,425,093
Reportable segment assets	9,148,116	25,808,844	822,669	35,779,629
Reportable segment liabilities	2,946,914	3,023,736	-	5,970,650

2011	UK	Brazil	Other	Total
	3 months ended 30 June 2011 £	3 months ended 30 June 2011 £	3 months ended 30 June 2011 £	3 months ended 30 June 2011 £
Revenue	-	-	-	-
Group Administrative expenses	(456,766)	(77,820)	(3,445)	(538,031)
Profit/(loss) on foreign exchange	96,072	-	-	96,072
Other operating Income	32,652	-	-	32,652
Loss from operations per reportable segment	(328,042)	(77,820)	(3,445)	(409,307)
Inter segment revenues	-	47,215	13,026	60,241
Depreciation charges	(182)	(229)	-	(411)
Additions to non-current assets	-	1,287,550	-	1,287,550

2012	UK	Brazil	Other	Total
	3 months ended 30 June 2012	3 months ended 30 June 2012	3 months ended 30 June 2012	3 months ended 30 June 2012
	£	£	£	£
Revenue	-	-	-	-
Group Administrative expenses	(219,851)	(198,202)	(16,691)	(434,744)
Profit/(loss) on foreign exchange	44,896	(53,240)	-	(8,344)
Other operating Income	44,987			44,987
Loss from operations per				

reportable segment	(129,968)	(251,442)	(16,691)	(398,101)
Inter segment revenues	-	86,714	16,354	103,068
Depreciation charges	(550)	(909)	-	(1,459)
Additions to non-current assets	-	523,397	-	523,397

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

	6 months ended 30 June 2012 £	6 months ended 30 June 2011 £	3 months ended 30 June 2012 £	3 months ended 30 June 2011 £
Loss from operations per reportable segment	(921,245)	(359,886)	(398,101)	(409,307)
– Charge for share options granted	(232,755)	(93,118)	(116,377)	(46,558)
– Toronto Stock Exchange Listing Fees and associated costs	(62,982)	(190,353)	(25,932)	-
– Finance income	43,391	58,020	15,083	15,238
– Finance costs	(83,929)	(91,296)	(41,964)	(45,648)
Loss for the period from continuing operations	(1,257,520)	(676,633)	(567,291)	(486,275)

5 Other operating income

Included in other operating income for the six months ended 30 June 2012 is US$ 20,000 relating to an option payment received from Magellan Minerals Ltd under a Heads of Terms signed on 23 May 2012. The Heads of Terms, which remain subject to definitive binding documentation, provide Magellan Minerals Ltd with an option to earn up to a 70% interest in the Company's Azul do Norte property.

Included in other operating income for the six months ended 30 June 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 Pacific Group plc 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 £ 548,561.

Group	Goodwill	Exploration and evaluation costs	Total
	£	£	£
Cost			
At 1 January 2012	387,378	18,968,079	19,355,457
Additions	-	2,425,093	2,425,093
Exchange rate movements	(32,663)	(1,598,103)	(1,630,766)
Net book amount at 30 June 2012	354,715	19,795,069	20,149,784

7 Share Capital

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

8 Dividends

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

9 Loss per share

The calculation of the basic loss per share of 0.429 pence for the 6 months ended 30 June 2012 (30 June 2011 loss per share: 0.249 pence) is based on the loss attributable to the equity holders of the Company of £ 1,257,520 for the six month period ended 30 June 2012 (30 June 2011: £676,633) divided by the weighted average number of shares in issue during the period of 293,036,583 (weighted average number of shares for the 6 months ended 30 June 2011: 272,084,955).

The calculation of the basic loss per share of 0.188 pence for the 3 months ended 30 June 2012 (30 June 2011 loss per share: 0.174 pence) is based on the loss attributable to the equity holders of the Company of £ 567,291 for the three month period ended 30 June 2012 (3 months ended 30 June 2011: £ 486,275) divided by the weighted average number of shares in issue during the period of 301,507,950 (weighted average number of shares for the 3 months ended 30 June 2011: 279,559,980).

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 2011.

10 Ultimate controlling party

The Directors believe there to be no ultimate controlling party.

11 Related party transactions

The nature of related party transactions of the Group has not changed from those described in the Group's Annual Report and Financial Statements for the year ended 31 December 2011.

12 Commitments

The Group had capital expenditure contracted for at the end of the reporting period but not yet incurred of £ 361,048 relating to intangible exploration assets. All other commitments remain as stated in the Group's Annual Financial Statements for the year ended 31 December 2011.

13 Approval of interim financial statements

The Condensed interim financial statements were approved by the Board of Directors on 13 August 2012.

HORIZONTE MINERALS PLC
MANAGEMENT'S DISCUSSION AND ANALYSIS
SIX MONTHS ENDED 30TH JUNE 2012

BACKGROUND

This Management's Discussion and Analysis of the financial position and results of operations is prepared as at 14th August 2012 and should be read in conjunction with the unaudited Condensed Consolidated Interim Financial Statements of Horizonte Minerals plc as at June 30th 2012 which have been prepared using accounting policies consistent with International Financial Reporting Standards as adopted by the European Union and in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

Horizonte Minerals plc (the "Company") is a publicly listed company on the Alternative Investment Market ("AIM") of the London Stock Exchange and on the Toronto Stock Exchange (the "TSX"), in both instances under the symbol "HZM".

COMPANY OVERVIEW

The Company is actively engaged in the exploration and development of nickel and gold projects in Brazil.

The Company has two principal mining partners: Teck Resources Limited, which holds a 41.8% interest in the issued share capital of the Company, and AngloGold Ashanti Limited ("AngloGold"), the JV partner on the Falcao Project.

The principal project of the Company is the wholly-owned Araguaia Nickel Project ("Araguaia Project" or "Araguaia"), located in Pará State in Brazil.

In January 2012 the Company announced a resource update at Araguaia comprising an Indicated Mineral Resource of 39.3 million tonnes grading 1.39% nickel together with an Inferred Mineral Resource of 60.9 million tonnes grading 1.22% nickel, at a 0.95% nickel cut-off. The mineral resources have been estimated and classified according to the CIM definitions as referred to by Canadian National Instrument 43-101 ("NI 43-101").

The Company also has a joint venture with AngloGold, signed in August 2010 whereby AngloGold can earn into 51% of the Falcao gold project ("Falcao") owned by the Company by expending US$4.5 million over three years with the right to earn a further 19% by taking the project to Pre-feasibility Study. A 3,663 metre drilling programme has been completed to test a 4km long by 0.5 km wide gold in soil anomaly. Follow up work has included the an Induced Polarisation (IP) geophysical survey and expansion of the soil geochemical grid to the east of the principle anomaly. The Company is operator until vesting is completed.

The Company's near term focus is to:

- Complete a Preliminary Economic Assessment ('PEA') on Araguaia in mid-Q3 2012.
- Advance the Social Environmental Impact Assessment ('SEIA') at Araguaia, to be completed in 2013.
- Commence the second phase of drilling at Araguaia in Q3 2012 as part of the Pre-Feasibility Study work programme
- Complete on-going fieldwork at Falcao, including a ground Induced Polarisation geophysical survey over the principle mineralised zone, together with an expansion of the soil geochemical sampling with the aim to expand the target to the east, to be followed by a second phase infill drill programme in partnership with AngloGold.

The Company's longer term focus remains to:

- Following the results of the PEA, initiate a Prefeasibility Study in H2 2012 for the Araguaia Project using a proven metallurgical process.
- Continue with the diamond drill programme at Falcao, subject to positive results from the induced polarisation and expanded soil evaluation.

HIGHLIGHTS FOR THE SECOND QUARTER OF 2012

- On 23 May 2012 the Company announced the signing of a Heads of Terms with Magellan Minerals Ltd concerning an option to acquire up to 70% of the Company's Agua Azul project.
- On 13 June 2012 the Company announced a placing of 71,986,190 new Ordinary shares at a price of 7.25 pence per share to raise proceeds of £ 5.2M before expenses.
- On 29 June 2012 the Company announced the appointment of finnCap Ltd as sole nominated advisor and broker in London.

Furthermore:

- On 3 July 2012 the Company announced that Henderson Global Investors had increased its shareholding in the Company to 38,750,366 shares, representing 11.02% of the issued capital and voting rights of the Company.

ARAGUAIA PROJECT

The Company owns 100 per cent of the advanced Araguaia Project located in southern Parà State to the south of the Carajas mineral district of northern Brazil; the Company believes the project has the potential to deliver a resource with size and grades comparable to other nickel laterite projects and mining operations in northern Brazil. Several significant nickel laterite deposits occur within this region of Brazil, including Xstrata's Serra do Tapa/Vale dos Sonhos deposits that are also located within the Araguaia Fold Belt 80km to the north of the project area.

The Company has a team on site and has completed its first phase resource drilling campaign on the Araguaia Project.

In March 2011 the Company announced a NI 43-101 compliant maiden resource of 76.6Mt with a grading of 1.35% nickel and 0.06% cobalt at Araguaia. In September 2011 the Company completed a 13 200 metre drilling programme.

In January 2012 the Company announced a resource update at Araguaia, comprising an Indicated Mineral Resource of 39.3 million tonnes grading 1.39% nickel together with an Inferred Mineral Resource of 60.9 million tonnes grading 1.22% nickel, both at a 0.95% nickel cut-off. The mineral resources have been estimated and classified according to the CIM definitions as referred to by NI 43-101.

The Araguaia Project area comprises 15 Exploration Licences.

The landholdings which comprise the Araguaia Project do not form part of any native or environmental reserves.

Recent exploration at the site, conducted since 2006 by both the Company and prior owners, has included a total to date of some 25 700 metres of diamond drilling, which was preceded by stream sediment sampling, airborne geophysical surveys, soil sampling, ground magnetometry, auger drilling and RC drilling. The principal targets were drilled on 200m x

200m grids, enabling the completion of the NI 43-101 compliant resource estimation. Infill drilling on 100m x 100m grids has been completed on the Pequizeiro and Baião targets.

Some of the targets remain open, and some extensions and subsidiary targets at Araguaia are as yet untested.

Direct costs of the Araguaia Project since August 2010 have amounted to approximately £ 6.2 M up to end-June 2012.

In addition Company has initiated the following at Araguaia, which are currently in progress:

- Preliminary Economic Assessment ('PEA'), which is expected to be completed in mid-Q3 2012.
- Environmental Baseline Study and Social Impact Assessment commenced in October 2011
- Testwork for upgrading of ore has been initiated in April 2012 by MineSense of Vancouver.
- Tenders have been received from recognised third party consulting groups with a view to undertaking optimisation tests work on the atmospheric tank leach process (ATL) in H2 2012.
- Proposals are being evaluated to operate a pyrometallurgical RKEF pilot plant, using the 130 tonne bulk samples collected in September 2011.

The combined cost for these is expected to be circa £ 600 K, with completion expected by early Q1 2013.

In July 2011 the Company entered into a definitive agreement to acquire 100% of the Vila Oito and Floresta nickel laterite projects ('Vila Oito and Floresta') from Lara. On 7 February 2012 the transfer of the Vila Oito and Floresta licences from affiliates of Lara to a subsidiary undertaking of the Company was completed. In accordance with the July 2011 agreement, the consideration paid comprised 8.5 million ordinary shares of the Company, representing at that time 2.95% of the issued share capital of the Company. Vila Oito and Floresta are adjacent to the Company's Araguaia Project and serve to increase the overall land position at Araguaia.

Planned Activity

Moving forwards, the results from the recently completed metallurgical studies to determine the most suitable processing option for the Araguaia Project have been fed into the PEA, the results of which are anticipated in the third quarter of 2012. Thereafter and contingent on the results of the PEA, the Company's intends to proceed with the Prefeasibility Study at Araguaia. This will involve further metallurgical studies aimed at better understanding the technical and economic dynamics of the selected process option.

Additional diamond drilling is required in order to improve the quality of geological knowledge at Araguaia, where possible: increasing overall resource tonnage, upgrading existing mineral resource estimates from Inferred Mineral Resources to Indicated Mineral Resources and focussing on increasing the resource tonnage of higher grade material, this latter factor being deemed important for enhancing project economics.

The preliminary estimate for the overall cost of the Prefeasibility Study, with commensurate drilling and metallurgical evaluation is currently estimated at approximately £ 7 million. However the scope of the study and associated costs will be determined by the outcome of the on-going PEA and for these reasons, this estimate is indicative at this stage.

FALCAO PROJECT

The Falcao Project is a joint venture between the Company and AngloGold which was signed in August 2010. It gives AngloGold the right to earn into 51% of the project by investing US$4.5 million over three years. AngloGold has the option of obtaining a further 19%, taking it to 70%, by funding a Prefeasibility Study within three years of the vesting date. Under the terms of the agreement, AngloGold was required to invest a minimum of US$900,000 within the first year, a milestone that was achieved in the second quarter of 2011.

Falcao is located in southern Pará State, north central Brazil, which hosts the Carajás Mineral District and lies approximately 110 km to the north of the Company's Araguaia Project.

The project was a BHP grassroots discovery that was identified by regional stream sediment sampling which defined several sample locations running anomalous gold, copper and silver values, covering a 50 sq km land area. The stream sediment programme was followed-up by a regional soil grid and wide spaced, shallow auger drill programme which defined the main area of interest as an open 6 km long anomalous gold trend and adjacent zinc/silver/gold zone.

BHP undertook a limited wide spaced reverse circulation ('RC') drilling campaign in September 1998. The final RC drill holes were located on a wide (2,400m by 400m) spacing along the 6 km anomalous trend. Despite the wide drill hole spacing a number of highly anomalous intersections were drilled.

Since initiating field work in the third quarter of 2010, the Company carried out the following evaluation at Falcao:

Soil Sampling Survey

The survey was carried out during October and the early part of November 2010 over a 3,000m by 1,500m zone on 100m line spacing. The grid covers the central part of the main target zone. Samples were collected every 25m along lines and every second sample analysed by Acme Laboratories.

The results confirmed a 300 to 600m wide zone at greater than 50ppb, with the trend open to both the east and west and the resulting data, compiled with the regional soil geochemistry database and interpreted together with the newly acquired geophysical database is being used to define the drill targets and additional zones for follow-up.

Geologic Mapping

Geologic mapping was carried out over an area of approximately 20 sq km and has been used for the combined interpretation of the geochemical and geophysical data. Given the poor exposure in the target zone, this combined interpretation has played a critical role in enhancing the understanding of the geologic setting and the definition of drill targets.

Aeromagnetic Survey

A 3,200 line km aeromagnetic and radiometric survey was flown over the Falcao Project in November 2010. The survey was carried out on 100m line spacing over the central part of the area and lines at 200m spacing extending to the east and west to aid in the structural interpretation of the data.

All quality control data was monitored and approved by AngloGold’s geophysical specialist group in Bogotá.

Drilling

Following evaluation of the above, in July 2011 the Company commenced a 2,587m diamond drilling programme at Falcao, with a view to testing the gold soil anomaly which is currently 4km long and is open to the east and which varies from 200m to 800m in width. 10 drillholes were spaced out over a 4,700 m strike and went to a depth of between 200 and 300 metres.

Potential quality and grade is conceptual in nature. There has been insufficient exploration to define a mineral resource on the Falcao Project to date, and it is uncertain if further exploration will result in the target being delineated as a mineral resource.

Of the first 10 holes, 6 intersected zones of gold mineralisation and as a result, a further 5 holes totalling 1,076 m were drilled in late 2011, taking the total number of metres drilled to 3,663.

Cost of work to date

To end-June 2012, a total of USD 3.5M has been spent on the Falcao project.

Future plans and expenditures

Budgeted expenditure for 2012 as agreed with AngloGold is US$1.6 million and has focussed initially on an induced polarisation geophysical survey over the principal mineralised zone, combined with an expansion of the soil geochemical sampling with the aim to expand the target zone to the east. Subject to positive results, a follow up drill programme is planned for Q3 2012. The Company is the operator until vesting is completed.

Expenditure at Falcao is funded by AngloGold, the joint venture partner, and therefore future expenditure under the joint venture agreement will depend on decisions taken by AngloGold. These decisions will be based upon the results of the on-going and planned activities outlined above.

STRATEGIC JV WITH ANGLOGOLD

On 4 September 2009 an exploration alliance with AngloGold was announced and provided for the Company to expand its areas of operation to greenfields exploration. This represents an area of potential growth for the Company, achieved without the need for further equity financing. During the first 12 months AngloGold invested US$900,000 in exploration expenditure on two regional greenfield exploration programmes. These programmes were extended and a further US$620,000 was spent in 2011 and has accrued as part of the AngloGold earn-in expenditure. All work is conducted and managed by the Company.

Under the terms of the Strategic JV, AngloGold may, in its absolute discretion, spend US$5.3M over three years to earn a 51% interest in any project developed by the programme. On completion of the three year exploration programme each property or properties comprising a target area will be subject to a separate joint venture (each a ‘Target Area JV’), with ownership interests in each Target Area JV apportioned 51% to AngloGold and 49% to the Company. AngloGold may elect, in its absolute discretion, to earn up to an additional 19% (70% total) in a Target Area JV by funding ongoing exploration expenditure to complete a Prefeasibility Study in that Target Area within three years from that vesting date.

AngloGold may withdraw at any time without completing its expenditure obligations for a particular year.

To date a total of approximately 700,000 ha (7,000 sq km) has been sampled, comprising a total of 1,266 stream sediment samples and 1,447 rock geochemical samples. Integration of structure, known geology and occurrences, with an open view on geological models and the potential styles of mineralisation, is a key component to success in this programme.

Geochemical targets are ranked and prioritised based on the following criteria:
> Single point vs multiple contiguous drainages with elevated Au;
> Addition of pathfinder elements;
> Favourable host geology;
> Structure; and
> Open ground.

Highlights are:
> A +7,000m trend associated with a 1.8 to 2.05Ga, mid-Proterozoic sedimentary package of the same age as the gold rich conglomerates of the Tarkwa Belt in West Africa; and
> A 4,000m trend of low gold and pathfinder elements (Te, Sb, Bi, As +/- W) reflective of intrusion related systems, located on a structure bounding a zoned granite intrusion.

These two previously unknown targets are examples of the types of anomalies which were defined.

Future Planned Work
Work to date has defined several gold anomalies, with a number of requiring further testing. The Company, with AngloGold, is fully reviewing this programme, the results received to date and the land position built up, prior to making a decision on any next phase of work.

TANGARA GOLD PROJECT (JV WITH TROY RESOURCES)

The Company signed a formal Option Agreement with Troy Resources (ASX:TRY) ('Troy') in December 2007 to operate and develop the Tangara Gold Project ('Tangara Project') and fast track its development entitling Troy to 100% interest in the Tangara Project.

To maintain the option Troy has made cash payments totalling US$400,000 to the Company and invested US$2 million in exploration on the project. Upon exercise of the option Troy will be required to make a production royalty payment to the Company of US$30 for every ounce of gold produced from the Tangara Project area up to a maximum of 500,000oz. In the event of more than 500,000oz being produced, a 1% Net Smelter Royalty ('NSR') shall apply. This royalty will increase to 2% NSR in the event of production exceeding 1 million oz.

Future Planned Work

A mining licence application has been lodged with the Brazilian Department of Mines to cover the Malvinas target. Future activity by Troy at the Tangara Project is contingent on this application being successful. There has been no further work on the project area by Troy, this will remain the position until the outcome of the mining licence has been determined.

TECHNICAL DISCLOSURE

All scientific and technical information contained in this Management's Discussion and Analysis has been prepared by or under the supervision of David Hall, Chairman of the Company, a "qualified person" within the meaning of NI 43-101. For further details on the Araguaia Project, please refer to "Geology and Mineral Resources of the Araguaia Nickel Project, Brazil NI 43-101 Technical Report", dated February 23rd 2012, available on SEDAR at www.sedar.com.

SUMMARY OF CASHFLOWS

6 months ended	30 June 2012 £	30 June 2011 £
Net Cashflows from operating activities	(1,017,194)	25,925
Net cash used in investing activities	(1,092,934)	(1,990,951)
Net cashflow from financing activities	5,120,342	7,819,437
Net increase / (decrease) in cash and cash equivalents	3,010,215	5,854,411

The net cashflows used in operating activities for the 6 months ended 30 June 2012 are driven by management activities at the Araguaia and the AngloGold Ashanti Falcao Joint Ventures, as well as working capital movements. The overall increase in cash used in operating activities of £ 1,043,119 (from £ 25,925 for the six months ended 30th June 2011 to £ (1,017,194) for the six months ended 30th June 2012) is driven by the following principal factors:

- The increase in trade payables fell from £ 885,077 for the six months ended 30 June 2011 to £ 111,746, a drop of £ 773,331. The variance is due to there being no drilling activity in the first six months of 2012, whereas the Company was engaged in a drilling campaign at both Falcao and Araguaia in the equivalent period of 2011, with resultant trade creditors
- an increase in exploration costs expensed of £ 255,953 (from £ 135,618 for the six months ended 30th June 2011 to £ 391,571 for the six months ended 30th June 2012) – see 'Results from Operations' for explanation;
- the results for the 6 months ended 30 June 2011 enjoyed other operating income of £ 312,500 due to the Royalty option payment from Anglo Pacific Group plc which was not repeated in 2012.

The above three factors responsible for driving the increase in cash used in operating activities in the first half of 2012 versus the same period in 2011 are partly offset by reduced professional fees, which amounted to £ 118,653 in the 6 months ended 30 June 2012 as compared to £ 295,585 in the 6 months ended 30 June 2011 – see 'Results from Operations' for explanation.

Cash used in investing activities has fallen to £ 1,092,934 in the 6 months ended 30 June 2012 when compared to £ 1,990,951 in the 6 months ended June 30 2011. The higher spend in the first half of 2011 as compared to the same period in 2012 is driven by the drilling programme that was underway at Araguaia in 2011.

Net cashflow from financing activities to June 30 2011 of £7,819,437 was driven by the capital raise in February 2011 of £ 8.25 million before expenses, through the placing of 32,999,500 new, fully paid ordinary shares in the Company.

Net cashflow from financing activities to June 30 2012 of £ 5,120,342 was driven by the capital raise in June 2012 of £ 5.2 million before expenses, through the placing of 71,986,190 new, fully paid ordinary shares in the Company.

QUARTERLY FINANCIAL INFORMATION

	2012	2012	2011	2011	2011	2011	2010	2010
Quarter Ended	30 June £	31 March £	31 December £	30 Sept. £	30 June £	31 March £	31 December £	30 Sept. £
Revenue	-	-	-	-	-	-	-	-
Other Operating Income	44,987	28,948	31,101	47,607	32,652	327,110	254,461	440,079
Profit/(loss) from continuing operations	(567,291)	(690,229)	(577,731)	(549,689)	(486,275)	(190,358)	(329,066)	1,646,562
Total comprehensive income attributable to equity holders of the Company	(2,393,579)	(848,455)	(891,788)	(3,293,201)	455,757	(474,829)	154,645	2,255,483
Basic earnings/(loss) pence per share	(0.188)	(0.243)	(0.210)	(0.197)	(0.174)	(0.072)	0.553	1.100

Current quarter:

The loss from continuing operations for the second quarter of 2012 of £ (567,291) is net of negative exchange rate movement of £ 8,344 on the Brazilian Real balances held by the Company, due to a weakening of that currency and net of a non-cash charge for share options granted of £ 116,377.

Total comprehensive income attributable to equity holders of the company in the second quarter of 2012 of £ (2,393,579) was after was after exchange differences arising on translating foreign operations of £ (1,826,288), as the Brazilian Real had weakened against Sterling as at June 30th 2012 when compared to March 31st 2012.

Previous quarters:

Other operating income in the third quarter of 2010 of £ 440,079 comprised a gain in remeasuring the existing 50% interest in Lontra, when compared to the acquisition by the Company at the time of the other 50% interest in Lontra that it did not hold.

Other operating income in the fourth quarter of 2010 of £ 254,461 included an option fee of £ 220,732 which relates to a non-refundable payment made by a joint venture partner for the right of first refusal on the purchase of one of the Company's exploration projects.

Other operating income of £ 327,110 in the first quarter of 2011 included £ 312,500 arising from a payment by the Anglo Pacific Group plc in return for an option to acquire a net smelter royalty on nickel production at Araguaia. The remainder of other operating income in 2011 and in the first quarter of 2012 comprises management fees arising on the AngloGold joint ventures.

The profit from continuing operations of £ 1,646,562 for the third quarter of 2010 is net of a gain on purchase of subsidiary undertaking of £ 1,798,251.

The loss from continuing operations of £ (690,229) for the first quarter of 2012 includes a non-cash share option charge of £ 116,378 and a negative exchange movement of £ 76,853 due to a weakening of the US Dollar against Sterling in the quarter. The loss was otherwise driven by expensing of exploration costs of £ 176,678, administration expenses of £ 298,561.

Total comprehensive income attributable to equity holders of the company in the second quarter of 2011 of £ 455,757 was after exchange differences arising on translating foreign operations of £ (2,743,512), as the Brazilian Real had weakened against Sterling as at June 30th 2011 when compared to March 31st 2011.

Total comprehensive income attributable to equity holders of the company in the third quarter of 2011 of £ (3,293,201) was after exchange differences arising on translating foreign operations of £ (2,743,512), as the Brazilian Real had weakened against Sterling as at September 30th 2011 when compared to June 30th 2011.

Total comprehensive income attributable to equity holders of the company in the first quarter of 2012 of £ (848,455) was after exchange differences arising on translating foreign operations of £ (158,226), as the Brazilian Real had weakened against Sterling as at March 31st 2012 when compared to December 31st 2011.

The assets and liabilities of the Araguaia Project are accounted for in Brazilian Reals, their functional currency.

RESULTS FROM OPERATIONS

	6 m/e 30 June 2012 £	6 m/e 30 June 2011 £	3 m/e 30 June 2012 £	3 m/e 30 June 2011 £
General and Administration Costs				
Compensation	(168,794)	(178,306)	(50,775)	(60,513)
Travel / Expenses	(56,999)	(64,429)	(32,178)	(35,713)
Exploration Costs Expensed	(391,571)	(135,618)	(214,893)	(82,416)
Professional Fees	(118,653)	(295,585)	(59,737)	(80,615)
Investor Relations – UK	(70,611)	(65,707)	(33,013)	(46,289)
Investor Relations - Canada	(57,864)	-	(17,328)	-
Overheads / Other	(45,491)	(62,633)	(26,820)	(42,132)
Total General and Administration Costs	(909,983)	(802,278)	(434,744)	(347,678)
Charge for share options granted	(232,756)	(93,118)	(116,377)	(46,558)
Toronto Stock Exchange fees and compliance costs	(62,982)	(190,353)	(25,932)	(190,353)
Gain / loss on Foreign Exchange	(85,197)	82,630	(8,344)	96,072
Other Operating Income	73,936	359,762	44,987	32,652
Loss from Operations	(1,216,982)	(643,357)	(540,410)	(455,865)

Within General and Administration costs:

- Compensation costs for 2012 are lower than for 2011 principally due to the departure at end-2011 of Mr Nicholas Winer, a Director of the Company.
- The non-cash charge for share options granted has risen from £ 46,558 in the 3 months to end-June 2011 to £ 116,377 in the 3 months to end-June 2012 due to the charge for 14,380,000 options granted in September 2011.
- Exploration costs expensed have risen from £ 82,416 in the three months to end-June 2011 to £ 214,893 in the three months to end-June 2012 principally due to increased salaries and associated social charges. The compensation charge for the 3 months to end-June 2012 included in exploration costs expensed totalled £ 153,615 (three months to end-June 2011: £ 48,536) – this included a once-off £ 55,741 in compensation for loss of office due to change of local management. In addition there was a once-off £ 19,000 associated charge in professional fees; variable overheads for

the three months to end-June 2012 totalled £ 46,914 (three months to end-March 2011: £ 12,075), linked to changeover in local management. Furthermore, in 2012 the salaries of the local general management are included in Exploration Costs Expensed, whereas Mr Nicholas Winer's remuneration was included in 2011 in Compensation.

- Costs are also incurred in the second quarter of 2011 in connection with the Company having listed on the TSX, which occurred in June 2011.
- Professional fees were higher in the first 6 months of 2011 (£ 295,585) than for the corresponding period in 2012 (£ 118,653) due to fees associated with the capital raise in February 2011, legal fees associated with the signing of the Option Royalty Agreement with Anglo Pacific in January 2011 as well as additional audit and interim review costs in 2011 as compared to 2012.

The (loss) / gain on foreign exchange is predominantly associated with movements arising on cash deposits held by the company in other currencies, namely the US Dollar and the Brazilian Real.

LIQUIDITY, CAPITAL RESERVES AND FINANCING ACTIVITIES

The Company is not in commercial production on any of its properties and accordingly it does not generate cash from operations and finances its activities by raising capital through equity issues.

As at 30 June 2012 the Company had £ 8,801,564 in cash at bank and on deposit, including £ 14,129 advanced from AngloGold Ashanti plc under the Joint Venture Agreements in place. As at 31 December 2011 cash at bank and on deposit amounted to £ 5,856,949. A capital raise of £ 5.2 M before expenses was completed on 13 June 2012. The Joint Ventures with AngloGold are funded in advance on a quarterly basis.

All of the Company's cash and cash equivalents as at June 30th 2012 are held in interest bearing accounts. The Company has not invested in any short-term commercial paper, asset backed securities or other financial instruments.

In management's view the Company has sufficient financial resources to fund currently planned exploration programmes and ongoing operating expenditures over the next 12 months. The Company will continue to be dependent on raising equity capital as required until and unless it reaches the production stage and generates cash flow from operations.

CONTRACTUAL OBLIGATIONS

£	*Payments Due by Period*		
	Total	*Less than 1 year*	*1-3 years*
Operating leases	14,400	14,400	
Other contracts	361,048	361,048	-

Operating leases relate to office space. Other contracts relate to ongoing consultancy arrangements in connection with metallurgical and other evaluations at Araguaia.

Other Commitments
On 12 January 2011 the Company signed an option agreement with Anglo Pacific Group plc ('Anglo Pacific') for a future Net Smelter Royalty. 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$12.5 million 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.

SHAREHOLDERS EQUITY

As at August 14 2012 there were 360,046,170 ordinary shares issued. (December 31st 2011: 279 559 980 ordinary shares issued).

On February 7th 2012 the Company issued 8,500,000 fully paid ordinary shares to Lara Exploration Limited in consideration for 100% of the Vila Oito and Floresta nickel projects, which are situated in proximity to the Company's Araguaia project.

On June 13th 2012 the Company placed 71,986,190 new, fully paid ordinary shares at a price of 7.25 pence per share to raise £ 5.2M before expenses.

Total options outstanding as at August 14 2012 amount to 23,230,000 with exercise prices ranging from 9.5 pence to 15.5 pence, vesting between September 24th 2011 and September 21st 2013. There is no other share-based compensation paid by the Company.

The Company recognises as an expense the cost of stock based compensation based upon the estimated fair value of new stock options granted. The fair value of each stock option is estimated on the date of grant using the Black-Scholes option pricing model and is expensed over the vesting period.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The financial information disclosed within this document was prepared on a going concern basis using accounting policies consistent with International Financial Reporting Standards (IFRS) as adopted by the European Union.

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 each reporting period.

Significant items subject to such estimates include:

Valuation of Intangible Assets
In accordance with IFRS 6, the Company capitalises as Intangible Assets all exploration and evaluation costs, including acquisition costs, field exploration and analysis costs relating to specific properties until those properties are brought into production, at which time they will be amortised on a unit-of-production basis or until the properties are abandoned, sold or considered to be impaired in value, at which time an appropriate charge is made.
Intangible Assets are reviewed for impairment to determine if a write down of their carrying amount is required. The factors which are considered include past and future, planned exploration work and general market conditions.

Fair value of exploration projects acquired in business combinations
Management has made various estimations regarding the fair value of exploration projects acquired in the absence of NI 43-101 compliant resource data available at acquisition. The fair value of exploration projects acquired has been estimated based on a number of valuation techniques.

Where acquisitions represent transactions between knowledgeable and willing parties on an arm's length basis the exploration projects acquired have been valued on the basis of the consideration transferred. Where acquisitions do not represent arms' length transactions management have compared them to similar transactions that are on an arm's length basis taking into account key factors such as certainty over the level of defined resource, processing technology and location infrastructure.

Management has also undertaken an exercise to compare their estimated fair values based on the level of work completed and geological upside potential with similar exploration companies in the form of a benchmarking exercise.

Contingent consideration

Contingent consideration has a carrying value of £ 2,799,294 as at June 30th 2012 (£2,715,365 at December 31st 2011). The contingent consideration arrangement requires the Company to pay the former owners of Teck Cominco Brasil S.A 50% of the tax effect on utilisation of the tax losses existing in Teck Cominco Brasil S.A at the date of acquisition. Under the terms of the acquisition agreement, tax losses that existed at the date of acquisition and which are subsequently utilised in a period greater than 10 years from that date are not subject to the contingent consideration arrangement.

The fair value of this potential consideration has been determined using a hypothetical discounted cash flow analysis. Management has made assumptions regarding the future operating parameters of the Araguaia Project, combined with local and global operating parameters taken from other comparable nickel projects, in order to calculate the ability to utilise the acquired tax losses, together with the timing of their utilisation. The Company has used discounted cash flow analysis to determine when it is anticipated that the tax losses will be utilised and any potential contingent consideration paid. Cash flow projections exceeding a period of five years have been estimated in order to incorporate the anticipated time period to establishing a NI 43-101 compliant resource, completing a feasibility study and then exploiting the estimated resource. These cash flows could be affected by upward or downward movements in several factors to include commodity prices, operating costs, capital expenditure, production levels, grades, recoveries and interest rates.

Current and deferred taxation

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

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

FORWARD LOOKING STATEMENTS

Except for statements of historical fact relating to the Company, certain information contained in this management's discussion and analysis 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 properties; the future price of minerals; success of exploration activities; cost and timing of future exploration and development; the estimation of mineral resources; requirements for additional capital and other statements relating to the financial and business prospects of the Company. 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 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:

- the Company's goal of creating shareholder value by concentrating on the acquisition and development of properties that have the potential to contain economic mineral deposits;
- future plans for the Araguaia and Falcao Projects and other property interests held by the Company or which may be acquired on a going forward basis, if at all;
- management's outlook regarding future trends;
- the Company's ability to meet its working capital needs at the current level in the short term; and
- governmental regulation and environmental liability.

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: unexpected events and delays during permitting; the possibility that future exploration results will not be consistent with the Company's expectations; timing and availability of external financing on acceptable terms and in light of the current decline in global liquidity and credit availability; uncertainty of mineral resources; future prices of minerals; currency exchange rates; government regulation of mining operations; failure of equipment or processes to operate as anticipated; risks inherent in mineral exploration and development including environmental hazards, industrial accidents, unusual or unexpected geological formations; and uncertain political and economic environments. 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.

RISKS AND UNCERTAINTIES

An investment in the Company entails certain risk factors, which should be considered carefully, including but not limited to those set out below:

- Risks and uncertainties related to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations.

- Risks that the results of scoping studies, pre-feasibility and feasibility studies and the possibility that future exploration, development or mining results will not be consistent with the Company's expectations.

- Risks related to possible variations in reserves, grade and changes in project parameters as plans continue to be refined.

- Exploration and future development risks, including risks related to the grant of access rights to the properties, accidents, equipment breakdowns, labour disputes or other unanticipated difficulties with or interruptions in exploration and development.

- Risks related to liquidity, foreign exchange, credit, commodity prices, interest rates and market sentiment.

- Risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining government approvals or in the completion of development or construction activities.

- Risks related to environmental regulation and liability.

- Risks related to community relations.

- Risks related to the loss of the services of key executives, including the Directors of the Company and a small number of highly skilled and experienced executives and personnel.

- Political or regulatory risks associated with conducting mineral exploration in Brazil and other countries.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off balance sheet arrangements.

RELATED PARTY TRANSACTIONS

With the exception of charges levied within the Company in consideration for management services and in accordance with signed agreements, there are no related party transactions.

The charges levied for the first 6 months of 2012 and the comparative period in 2011 are as follows and cancel out upon consolidation:

	Brazil		Peru		Total	
	H1 2012 £	H1 2011 £	H1 2012 £	H1 2011 £	H1 2012 £	H1 2011 £
Intragroup charges	166,789	80,007	32,538	25,921	199,327	105,928

****ENDS****

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About Horizonte Minerals:

Horizonte Minerals plc is a leading exploration and development company in Brazil with two committed major mining partners - Teck Resources and AngloGold. The Company's wholly owned flagship nickel project, Araguaia, is located south of the world-class Carajas Mineral district in northern Brazil. The Company has released an updated 43-101 Mineral Resource Estimate of 39.3 million tonnes grading 1.39% nickel in the Indicated category and 60.9 million tonnes averaging 1.22% Ni in the Inferred category, which places the project in the upper quartile of developing global nickel assets in terms of size and grade.

During the past year Horizonte has delivered on key milestones within budget and on schedule. 2012 will be active in terms of milestone delivery adding value to the Company as it continues to develop Araguaia towards production.

The Company is also active with gold exploration in northern Brazil which it is successfully developing with its JV partner AngloGold Ashanti Limited, giving Horizonte a second commodity focus and adding further value to the Company with minimum capital risk exposure.

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.