HORIZONTE

HORIZONTE MINERALS PLC
MANAGEMENT'S DISCUSSION AND ANALYSIS
NINE MONTHS ENDED 30th SEPTEMBER 2013

BACKGROUND

This Management's Discussion and Analysis of the financial position and results of operations is prepared as at 14th November 2013 and should be read in conjunction with the unaudited Condensed Consolidated Interim Financial Statements of Horizonte Minerals plc as at 30th September 2013 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 development of 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, 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 Canadian National Instrument 43-101 ("NI 43-101").

In June 2013, the Company completed a 9,300 metre infill drilling programme. The aim of this drilling programme was to upgrade the current Inferred Resource. Horizonte Minerals also completed in May 2013 a circa 18 month metallurgical test programme, which was designed to evaluate the expected ore performance in RKEF processing. Work was undertaken principally by FLSmidth and Xstrata Process Support ('XPS') and Kingston Process Metallurgy ('KPM'). The results released illustrated that Araguaia's ore was found to be suitable for treatment using the RKEF technology.

The recent drilling and metallurgical testwork results, will feed into the Company's updated NI 43-101 Resource estimate, and further will feed into the Pre-Feasibility Study ('PFS'), for which Horizonte Minerals awarded the contract to Snowden Mining Industry Consultants ('Snowden'), in July 2013. The PFS is expected to be completed in the first quarter of 2014.

The Company's near term focus is to:

- After the awarding of the PFS contract in July 2013, to complete this in Q1 2014.

- Continue to evaluate options to further develop its land positions in the Araguaia area.

HIGHLIGHTS FOR THE THIRD QUARTER OF 2013

- On September 10 the Company announced final drill results from its 9,300 metre Phase 3 drill programme at Araguaia.

ARAGUAIA PROJECT

Project Background

The Company owns 100 per cent of the 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 Glencore Xstrata's Serra do Tapa/Vale dos Sonhos deposits that are also located within the Araguaia Fold Belt around 80km to the north of the project area.

In March 2011 the Company announced a NI 43-101 compliant maiden inferred 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 14 Exploration Licences totalling 118,922 ha.

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

Preliminary Economic Assessment

In August 2012 the Company announced the results of its NI 43-101-compliant Preliminary Economic Assessment of the Araguaia Project. This document has been posted on the Company's website at www.horizonteminerals.com and are also available on SEDAR at www.sedar.com.

Preferred Processing Route

RKEF is the preferred processing route favoured due to availability of hydro electrical energy in the Araguaia region combined with the presence of three operating RKEF pyrometallurgical operations in Brazil.

Recent and Current Activity

Recent exploration at the site, conducted since 2006 by both the Company and prior owners, has included a total to date of 35,042 metres of diamond drilling up to August 2013, including the recently completed 9,309 metre diamond drill programme. These were 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 estimations. Infill drilling on 100m x 100m grids has been completed on 7 of the 9 principal targets.

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

In the first half of 2013 the Company completed a circa 18 month metallurgical test programme, which included work by FLSmidth, XPS and KPM. The test programme was designed to evaluate the expected ore performance in RKEF processing, and Araguaia ore was found to be suitable for treatment using this technology. Rotary kiln processing is a principal step in the RKEF pyro-metallurgical process, the processing route preferred by the Company to treat the Araguaia ore. Smelting tests carried out by XPS on a number of ore blends showed that smelting Araguaia laterite can produce ferronickel alloy and a low nickel slag. This work and additional testing by KPM confirmed the electric furnace conditions when producing a 15 to 20% Ni grade of ferronickel, and further confirmed the suitability of the RKEF process for producing ferronickel.

Direct costs of the Araguaia Project since August 2010 have amounted to approximately £ 11.0 M up to end-September 2013.

In addition the Company has initiated the following at Araguaia:

- The PFS
- Social Environmental Impact Assessment ('SEIA') carried out by Walm Engenharia e Technologia Ambiental and Integratio Mediação Social e Sustentabilidade which will feed into the PFS.
- NI 43-101 Resource update, which will feed into the PFS.

The PFS will be based on the following:

- A project scope incorporating a RKEF flowsheet defined by the completed process testwork.
- A mine plan developed from Mineral Reserves established from the updated Mineral Resource estimates.
- Infrastructure planning
- Construction planning and scheduling
- Market studies
- On-going environmental baseline impact as well as socio-economic studies.

The combined cost of the various PFS work streams is expected to be circa £ 1.6 million.
Work completed to date includes the following:

- All geotechnical drilling and pitting on the proposed mine, plant and slag dump sites and the development of geotechnical mine models is completed
    - Geotechnical HQ drilling totalled 596m (20 holes)
    - Exploration/evaluation HQ drilling to date totals 35,200 meters (1,412 holes)
- Completed preliminary pit optimisation on seven targets and development of feed schedules for Rotary Kiln Electric Furnace ('RKEF') process plant for two options:
    - Option A: two lines - 2.7Mtpa feed
    - Option B: single line - 900ktpa feed
- Plant site selected and preliminary plant mass and energy balances completed

- Social and Environmental study being undertaken by Brazilian based Walm and Integratio progressing to schedule
- The Environmental and social Baseline study is 90% complete - due for completion Q4 2013

It is anticipated that the PFS shall be released in Q1 2014.

FALCAO PROJECT

The Falcao Project was a joint venture between the Company and AngloGold which was signed in August 2010. It gave AngloGold the right to earn into 51% of the project by investing US$4.5 million over three years.

A total of USD 4.3 M was spent on the Falcao project under the joint venture with AngloGold. The joint venture was terminated due to low exploration success.

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, and 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 and "NI 43-101 Technical Report - Preliminary Economic Assessment of the Araguaia Nickel Project, Brazil" dated August 22nd 2012, both available on SEDAR at www.sedar.com.

SUMMARY OF CASHFLOWS

9 months ended	30th September 2013 £	30th September 2012 £
Net Cashflows from operating activities	(1,092,412)	(1,434,154)
Net cash used in investing activities	(3,304,565)	(1,809,346)
Net cashflow from financing activities	3,024,405	5,120,342
Net increase / (decrease) in cash and cash equivalents	(1,372,572)	1,876,842

The net cashflows used in operating activities for the 9 months ended 30th September 2013 are driven by activities related to the management of Araguaia. These management activities were similar in scale and structure in the first 9 months of 2013 as compared to the first 9 months of 2012 – the smaller negative cashflows from operating activities in the first nine months of 2013 of £(1,092,412) as compared to £ (1,434,454) for the same period in 2012 is principally due to cost saving measures as set out in "Results from Operations".

Cash used in investing activities has risen to £ (3,304,565) in the 9 months ended 30th September 2013 as compared to £ (1,809,346) in the 9 months ended September 30th 2012. The higher spend in 2013 as compared to the same period in 2012 is driven by the in-fill drilling programme at Araguaia underway throughout the first half of 2013 and the Araguaia Pre-Feasibility study, which commenced in the third quarter of the year.

Cashflows from financing activities in 2013 arose due to a private placement carried out by the Company in June 2013, whereby 41,093,327 new ordinary shares were issued at a price of 7.5 pence per share, raising £ 3.08 million before expenses. In June 2012 the Company carried out a private placement at a price of 7.25 pence per share, issuing 71,986,190 new ordinary shares and raising £ 5.2 million before expenses.

QUARTERLY FINANCIAL INFORMATION

	2013	2013	2013	2012	2012	2012	2012	2011
Quarter Ended	30 September £	30 June £	31 March £	31 December £	30 September £	30 June £	31 March £	31 December £
Revenue	-	-	-	-	-	-	-	-
Other Operating Income	-	-	-	32,827	18,467	44,987	28,948	31,101
Profit/(loss) from continuing operations	(411,610)	(509,824)	(383,968)	(616,724)	(615,237)	(567,291)	(690,229)	(577,731)
Total comprehensive income attributable to equity holders of the Company	(2,280,344)	(2,811,466)	1,493,090	(980,209)	(1,361,623)	(2,393,579)	(848,455)	(891,788)
Basic earnings/(loss) pence per share	(0.103)	(0.139)	(0.107)	(0.171)	(0.171)	(0.188)	(0.243)	(0.210)

Other Operating Income included £ 12,994 in option fees in the second quarter of 2012, following the signing of a Heads of Terms with Magellan Minerals Ltd. on May 23rd 2012 and which would provide Magellan Minerals Ltd. with an option to earn up to 70% in the Company's Agua Azul do Norte gold property. The Heads of Terms remain subject to definitive, binding documentation. The remainder of Other Operating Income across the 5 quarters principally comprised project management fees earned in connection with Falcao. In agreement with AngloGold, there are no project management fees charged in 2013.

Profit / (loss) from continuing operations in each of the periods disclosed is driven by administrative expenses, including exploration costs expensed, together with stock option charges, (loss) / gain on foreign exchange and finance income and costs.

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 that quarter. The loss was otherwise principally driven by expensing of exploration costs of £ (176,678) and compensation excluding share option charges of £ (118,019).

The loss from continuing operations of £ (383,968) in the first quarter of 2013 is lower than previous quarters principally as the Company benefited from a gain on foreign exchange of £ 72,067 due to a weakening of Sterling, while the charge for stock options granted amounted to £ (57,016), lower than in previous quarters as the options granted in November 2010 had been fully charged by end-2012.

The loss from continuing operations of £ (509,824) in the second quarter of 2013 was after an exchange loss of £ (109,986) – this exchange loss was the principal driver behind the increased loss from continuing operations as compared to the first quarter of 2013 and was due to a weakening during the quarter of the Brazilian Real against Sterling.

The loss from continuing operations of £ (411,610) in the third quarter of 2013 was after an exchange loss of £ (84,329) as the Brazilian Real continued to weaken against Sterling.

Overall in 2013, due to the options issued in November 2012 being fully charged after 24 months, 2013 enjoyed lower share options costs in the first three quarters of 2013: £ (166,080) versus £ (349,133) and which contributed to the lower quarterly losses from continuing operations in 2013 versus 2012.

Furthermore, losses from continuing operations in 2013 benefitted from lower General and Administration costs in 2013 than in 2012, as explained in this document in the section "Results from Operations".

Total comprehensive income attributable to equity holders of the company is driven by results from continuing operations, combined with finance income and costs, change in value of available for sale financial assets and exchange differences arising on translating foreign operations.

Finance costs comprise the unwinding of contingent consideration payable to Teck Resources. 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 in 2010. This is more fully explained in the section 'Critical Accounting Policies and Estimates'.

As at 30 September 2013, there was a finance expense of £141,890 (9 months ended 30 September 2012: £ 125,894) recognised in finance costs within the statement of comprehensive income in respect of the contingent consideration arrangement, as the discount applied to the contingent consideration at the date of acquisition was unwound. This charge was split evenly across the three quarters.

The charge for the change in value of available for sale financial assets for the 9 months to September 30 2013 amounted to £ 173,684, including £ 25,967 in the third quarter of 2013. There was no such charge in 2012.

Exchange differences arising on translating foreign operations arise as the values of the exploration assets of the Company are denominated in the currency of the country in which they are located.

The total comprehensive income attributable to equity holders of the company dropped in the second quarter of 2013 as compared to the first, from £ 1,493,090 to £ (2,811,466), as the second quarter included currency translation differences on translating foreign operations of £ (2,274,165), as opposed to a gain of £ 1,943,298 in the first quarter. This is because the Brazilian Real strengthened against Sterling in the first quarter of 2013, but dropped in the second quarter.

Total comprehensive income attributable to equity holders of the company in the third quarter of 2013 of £ (2,280,344) was after exchange differences arising on translating foreign operations of £ (1,842,767) as the Brazilian Real had continued to weaken against Sterling in the quarter.

RESULTS FROM OPERATIONS

	9 m/e 30 September 2013 £	9 m/e 30 September 2012 £	3 m/e 30 September 2013 £	3 m/e 30 September 2012 £
General and Administration Costs				
Compensation	(240,862)	(331,738)	(101,373)	(162,942)
Travel / Expenses	(47,373)	(85,402)	(17,570)	(28,403)
Exploration Costs Expensed	(400,257)	(518,655)	(91,880)	(127,084)
Professional Fees	(130,743)	(203,781)	(43,801)	(29,405)
Investor Relations	(79,661)	(92,231)	(11,766)	(14,543)
Overheads / Other	(25,522)	(48,260)	(12,651)	(7,707)
Total General and Administration Costs	**(924,418)**	**(1,280,067)**	**(279,041)**	**(370,084)**
Charge for stock options granted	(166,080)	(349,133)	(51,993)	(116,378)
Toronto Stock Exchange fees and associated costs	(26,264)	(88,084)	(1,400)	(25,102)
Gain / (loss) on Foreign Exchange	(84,329)	(181,097)	(46,410)	(95,900)
Other Operating Income	-	92,402	-	18,466
Loss from Operations	**(1,201,091)**	**(1,805,979)**	**(378,844)**	**(588,997)**

Within General and Administration costs:

- Compensation excluding share option charges has fallen by £ 61,569 from £ 162,942 in the 3 months to end-September 2012 to £ 101,373 in the 3 months to end-September 2013 due to a bonus paid to management in the third quarter of 2012 and which did not recur in 2013.
- Investor relations costs were reduced in the 9 months to September 2013 to £ 79,661 from £ 92,231 over the same period in 2012 as the Company terminated its investor relations activities in Canada in the first half of 2012 as a cost saving measure.
- Exploration Costs Expensed in the 9 months to end-September 2013 of £ 400,257 (9 months to end-September 2012: £518,655) included salaries and compensation of £ 234,606 (9 months to end-September 2012: £ 286,360). The difference in salaries and compensation included in Exploration Costs Expensed in the two periods is driven by one-off costs associated with a change of local management in 2012 and which did not recur in 2013. The remaining saving in Exploration Costs Expensed in 2013 versus 2012 of £ 59,644 is driven by cost saving measures and a weaker Brazilian Real in 2013 relative to Sterling.
- The charge for stock options granted has fallen from £ 116,378 in the 3 months to end-September 2012 to £ 51,993 in the 3 months to end-September 2013 as the 9,000,000 remaining options granted in November 2010 had been fully charged by end-2012.

The Gain / (loss) 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 30th September 2013 the Company had £ 4,468,560 in cash at bank and on deposit. As at 31st December 2012 cash at bank and on deposit amounted to £ 5,887,174.

All of the Company's cash and cash equivalents as at September 30th 2013 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 on-going 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	22,728	22,728	-
Other contracts	1,053,759	1,053,759	-

Operating leases relate to office space. Other contracts relate to on-going consultancy arrangements in connection with evaluations at Araguaia.

SHAREHOLDERS EQUITY

As at November 14th 2013 there were 401,139,497 ordinary shares issued. (December 31st 2012: 360,046,170 ordinary shares issued).

Total options outstanding as at November 14th 2013 amount to 26,730,000 with exercise prices ranging from 9.5 pence to 15.5 pence, vesting between September 21st 2013 and September 23rd 2014. 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 £ 2,501,044 as at September 30th 2013 (£2,359,112 at December 31st 2012). 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 the potential contingent consideration arrangement was estimated at the acquisition date according to when future taxable profits against which the tax losses may be utilised and has been determined using a discounted cash flow analysis. The Group has used discounted cash flow analysis to determine when it is anticipated that the tax losses will be utilised and any potential contingent consideration paid. These cash flows could be affected by upward or downward movements in several factors to include commodity prices, operating costs, capital expenditure, production levels, grades, recoveries and interest rates. The finance charges related to the unwinding of the contingent consideration are as a as set out in Note 19 of the Annual Financial Statements of the Company for the year ended 31st December 2012.

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 9 months of 2013 and the comparative period in 2012 are as follows and cancel out upon consolidation:

	Brazil		Other		Total	
	9 m/e 30 September 2013 £	9 m/e 30 September 2012 £	9 m/e 30 September 2013 £	9 m/e 30 September 2012 £	9 m/e 30 September 2013 £	9 m/e 30 September 2012 £
Intragroup charges	401,412	264,866	49,288	49,012	450,700	313,878