

LONDON, Oct. 29, 2015 /CNW/ - [Horizonte Minerals Plc](#), (AIM: HZM, TSX: HZM) ('Horizonte' or 'the Company') the nickel development company focused in Brazil, announces that it is today posting to shareholders of the Company ('Shareholders') a Notice of Meeting and Management Information Circular ('Circular') with respect to a general meeting of shareholders ('Meeting').

The Meeting will be held on 25 November 2015 at 2.30 p.m. at the offices of FinnCap Limited, 60 New Broad Street, London EC2M 1JJ, United Kingdom.

Background

On 28 September 2015, the Company announced (the 'Announcement') that it had signed a conditional asset purchase agreement ('Asset Purchase Agreement') to acquire the Glencore Araguaia Project ('GAP') from Xstrata Brasil Exploração Mineral Ltda ('Xstrata'), a wholly owned subsidiary of Glencore for a total consideration of USD 8 million to be paid according to the terms of the Asset Purchase Agreement summarized below (the 'Proposed Transaction').

Unless specified otherwise, capitalised terms in this announcement shall have the same meaning as defined in the Announcement.

Details of Proposed Transaction

Pursuant to the Asset Purchase Agreement, the Company has agreed to pay total consideration of US\$8.0 million to Xstrata, which holds the title to GAP. The consideration is to be paid according the following schedule:

- (a) US\$2.0 million in Initial Consideration Shares ('Initial Consideration Shares'), comprising Ordinary Shares in the Company ('Ordinary Shares'). The Initial Consideration Shares will be split between the deposit areas comprising GAP ('Deposit Areas') and will become payable after the date on which the Company is registered as holder of such Deposit Areas by the National Department of Mineral Production of Brazil ('DNPM') and once all other conditions are satisfied, including the passing of the resolutions to be put forward for approval by Shareholders at the Meeting. The Company anticipates that such registration will occur within the required period of 6 months from the date of the Asset Purchase Agreement but the time in which this is required to occur under the Asset Purchase Agreement can be extended for a period of up to a year in certain circumstances. At the time that they become payable, the Company will issue the specified proportion of the Initial Consideration Shares at a price per Initial Consideration Share equal to the five day volume weighted average share price on AIM taken on the business day prior to the relevant Closing converted at an exchange rate as set out in the Asset Purchase Agreement;
- (b) US\$1.0 million after the date of issuance of a joint feasibility study for the Enlarged Project area, to be satisfied in Ordinary Shares (at the 5 day volume weighted average price taken on the tenth business day after the date of such issuance converted at the Spot Rate) ("Second Consideration Shares") or cash, at the election of Horizonte; and
- (c) the remaining US\$5.0 million in consideration will be paid in cash, as at the date of first commercial production from any of the resource areas within the Enlarged Project area.

Resolution Authorising the Directors to Allot Shares

As noted in the Announcement, following the issue of the Placing Shares, the Company does not have sufficient authorities to issue Ordinary Shares to satisfy the allotment and issue of the Initial Consideration Shares or the Second Consideration Shares. As a result, the Company requires the approval of the Shareholders to permit the Board to allot and issue Ordinary Shares to satisfy the obligations of the Company under the Asset Purchase Agreement. The Shareholders will be asked to consider and, if thought appropriate, to authorise the Board to allot and issue the Initial Consideration Shares and the Second Consideration Shares ('Share Allotment Resolution'). The Share Allotment Resolution will be put forward to Shareholders for approval at the Meeting.

The Circular is available to download on the Company's website at www.horizonteminerals.com and can also be found on Sedar (www.Sedar.com).

About Horizonte Minerals:

[Horizonte Minerals Plc](#) is an AIM and TSX-listed nickel development company focused in Brazil, which wholly owns the advanced Araguaia nickel laterite project located to the south of the Carajás mineral district of northern Brazil.

The Company is developing Araguaia as the next major nickel mine in Brazil, with targeted production by 2019.

The Project, which has excellent infrastructure in place including rail, road, water and power, has a current NI 43-101 compliant

Mineral Resource of 71.98Mt grading 1.33% Ni (Indicated) and 25.4Mt at 1.21% Ni (Inferred) at a 0.95% nickel cut-off; included in Resources is a Probable Reserve base of 21.2Mt at 1.66%Ni.

A Pre-Feasibility Study has been completed which underpins the robust economics of developing a mine with a targeted 15,000tpa nickel in ferro-nickel output with a 20% Fe-Ni product over a 25 year mine life utilising the proven pyrometallurgical process of Rotary Kiln Electric Furnace technology. At these production rates, the project has a post-tax NPV of US\$519M at a discount rate of 8% and an IRR of 20%, with a capital cost of US\$582M which puts this project in the lowest quartile of the cost curve.

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.

SOURCE [Horizonte Minerals Plc](#)

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