TORONTO, ON--(Marketwired - August 03, 2016) - On September 28, 2015, it was announced that an agreement had been reached to sell the Glencore Araguaia nickel project ("GAP") in north central Brazil to HZM. Pursuant to a conditional asset purchase agreement ("Asset Purchase Agreement") between, amongst others, Horizonte Minerals Plc ("HZM") and Xstrata Brasil ExploraÃ§Ã¢o Mineral Ltda. ("XBEM") a wholly-owned subsidiary of Glencore Canada Corporation (Glencore Canada Corporation together with XBEM, "Glencore"), HZM agreed to pay a total consideration of US$8 million to XBEM, which held the title to GAP. The consideration was/is to be paid according the following schedule:

- US$2,000,000 in ordinary shares ("Ordinary Shares") of HZM (the "Initial Consideration Shares"). 23,777,273 Initial Consideration Shares with a value of US$660,000 were issued to XBEM on 25 November 2015. The balance of a further 50,729,922 Initial Consideration Shares (the "Second Tranche Shares") with a value of US$1,340,000 were issued to XBEM on August 3, 2016 (the "Transaction");
- US$1,000,000 after the date of issuance of a joint feasibility study for certain project areas, to be satisfied in Ordinary Shares (at the five-day volume weighted average price taken on the tenth business day after the date of such issuance) or cash, at the election of HZM; and
- the remaining US$5,000,000 consideration paid in cash, as at the date of first commercial production from certain specified resource areas.

The Asset Purchase Agreement contains customary warranties regarding GAP and the parties' ability to enter into the Transaction, and is subject to customary termination rights and confidentiality obligations.

Immediately before the Transaction, Glencore owned and exercised control over 23,777,273 Ordinary Shares representing approximately 3.54% of the issued and outstanding Ordinary Shares. Upon issuance of the Second Tranche Shares, Glencore acquired 50,729,922 Ordinary Shares. After giving effect to this issuance, the percentage of the issued and outstanding Ordinary Shares owned and controlled, directly and indirectly, by Glencore increased by approximately 6.76% and Glencore now owns and controls, directly and indirectly, a total of 74,507,195 Ordinary Shares representing approximately 10.3% of the issued and outstanding Ordinary Shares.

The Second Tranche Shares were issued by HZM to XBEM as partial consideration for GAP. The Second Tranche Shares had an aggregate value of US$1,340,000 (US$0.026 per share) out of a total purchase price payable by HZM for GAP of US$8,000,000. Using the Bank of Canada Noon Rate of Exchange on August 2, 2016 this represents an aggregate value of C$1,753,926 or C$0.035 per share.

Glencore's decision to enter into the Transaction was made in connection with its decision to dispose of GAP. Glencore will continue to review its investment alternatives from time to time and may determine to increase or decrease its equity ownership in HZM through the acquisition or sale of additional outstanding common shares or other securities of HZM through open market or privately negotiated transactions in accordance with applicable securities laws.

HZM's head office is located at 26 Dover Street London, United Kingdom, W1S 4LY.

Glencore Canada Corporation's head office is located at 100 King Street West, Suite 6900 P.O. Box 403 Toronto, Ontario M5X 1E3.

XBEM's head office is located at Avenida Afonso Pena No. 2770, 2nd Floor, Bairro Funcionarios, CEP 30130-007, City of Belo Horizonte, State of Minas Gerais, Brazil.

A copy of the early warning report corresponding to this press release can be obtained from Stephen Young, Company legal counsel, at 416-775-1556 or on SEDAR at www.sedar.com.

Glencore is one of the world's largest global diversified natural resource companies and a major producer and marketer of more than 90 commodities. The Group's operations comprise around 150 mining and metallurgical sites, oil production assets and agricultural facilities.

With a strong footprint in both established and emerging regions for natural resources, Glencore's industrial and marketing activities are supported by a global network of more than 90 offices located in over 50 countries.

Glencore's customers are industrial consumers, such as those in the automotive, steel, power generation, oil and food processing. We also provide financing, logistics and other services to producers and consumers of commodities. Glencore's companies employ around 160,000 people, including contractors.

Glencore is proud to be a member of the Voluntary Principles on Security and Human Rights and the International Council on Mining and Metals. We are an active participant in the Extractive Industries Transparency Initiative.

Contact

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