Horizonte Minerals plc / Index: AIM / Epic: HMZ / Sector: Mining

Horizonte Minerals plc ('Horizonte' or 'the Company')
Interim Results

London: 29 September 2006 - Horizonte Minerals plc, the AIM listed exploration and development company focussed on Brazil and Peru, is pleased to announce its results for the six months ended 30 June 2006.

Overview

- Listed on AIM having raised £2.3 million to focus on the discovery and development of world-class precious and base metal projects in South America
- Control of over 500km2 of exploration land in proven precious metal regions in Brazil and Peru
- Drilling of multiple targets underway at the Tangara gold project in Brazil following identification of anomalies within a 2.5 km trend.
- Drilling underway at El Aguila silver-lead-zinc project in Central Peru
- Model of identifying quality early stage projects before securing a partner to assume high financial exposure of development and production now proven
- Successful JV with Troy Resources of Australia to explore the Goias Velho ground holdings in Brazil targeting gold
- Evaluating additional opportunities to expand exploration portfolio

Horizonte Managing Director Jeremy Martin said: "It has been a very exciting few months since the Company's listing on AIM. We have completed the initial work programmes on the core projects, Tangara and El Aguila, generating multiple drill targets, which we have gone on to test. We are now nearing the final stages of a 1,500m diamond drill programmes on El Aguila and a 1000 metre programme at the Tangara gold project and hope to announce the initial results in the next few weeks. Importantly, the signing of a joint venture with Troy Resources not only demonstrates the mineral potential of the Goias Velho gold project but also highlights our ability to attract world class partners following the identification and evaluation of early stage projects. With our exciting portfolio and potential pipeline of new projects, I believe we are in a strong position to reward shareholders in the future."

Chairman's Statement

It gives me great pleasure to address you so early after the successful listing on AIM of Horizonte Minerals plc. Your Company has hit the ground running, making considerable progress in a short period of time and I believe is already generating increased value for shareholders through the advancement of its projects. We are focussed on the discovery and development of world-class precious and base metal projects in South America and already have an exciting portfolio in Brazil and Peru covering in the region of 530 km2. These exploration areas are located within strategic mining provinces with a history of exploration success.

Work has commenced at our 300 km2 Tangara exploration block, which is overlaying a greenstone belt in the world class Carajas Mineral Province in Brazil. Detailed geological mapping, ground geophysics and auger drilling helped to vector in on the drill targets and confirm our three target mineral styles namely, high grade veins, gold associated with massive sulphide replacement bodies, and a low grade gold halo around these. Drilling is underway at the time of writing and we look forward to receiving results in the coming weeks.

At El Aguila, which is located in the prolific Cerro de Pasco mineral belt, Horzionte completed geological mapping, surface and underground sampling. High grades were returned from sampling of the mineralized structures at various levels with the average grade of 20 rock channel samples being 10.2 oz/t Ag, 8.6% Pb and 3.5% Zn. To put these values in perspective, using $10.50/oz Ag, US$550/Au, $3,000/t Zn and Pb at $1,000/t, the average is in the region of 16.79 g/t Au equivalent, which is high grade. We have commenced a 1,500 metre drill programme with a view to rapid resource definition and adding considerable value at El Aguila. In addition to Pacos Hill where the work has focused to date, there are two other attractive target areas on the property for further follow-up.

As shareholders will be aware we have a model of identifying quality early stage projects before securing a partner to assume the high financial exposure of development and production while maintaining upside for Horizonte. This model I believe has already been proven, when in July we signed a joint venture with Australian gold producer Troy Resources NL's 70% owned local subsidiary Sertão Mineração Ltda ('SML') to advance Horizonte's Goias Velho gold exploration project in Brazil. The concession area, that has yielded positive gold anomalies, is contiguous to SML's projects, which also includes the operating Sertão gold mine. It is the intention of the two parties to delineate further economic open-pit resources in close proximity to the mine.

A key factor in exploration success is the quality of the team. Horizonte has a team with over 50 years management experiences primarily in South America with the ability to both identify and advance projects. I believe CEO Jeremy Martin, COO Nick Winer in Brazil with Exploration Manager Dr. Titus Haggan and myself as Chairman, have the ability to add to Horizonte's early success. They have put together an active programme of pipeline development and are constantly evaluating new opportunities. To this end, we hope to report shortly on the addition of new exploration areas to our current portfolio.

We believe we have a very strong model that will reap rewards for our shareholders. The increasing need of mining companies to obtain new reserves and resources is highlighted by the recent acquisition by Yamana Resources, a Brazilian producer, of Viceroy Resources for its Gualcamayo project in Argentina. This deal converted to an approximate acquisition cost of US$300 per resource ounce.

Horizonte's aim is to place itself as the main provider of quality exploration projects to the mining sector. The Board recognises that to achieve maximum joint benefits from exploration, mining and E&D companies need to take advantage of their synergies and create an environment of trust and mutual benefit. As mentioned earlier, the deal with Troy Resources represents a start to an association that will enhance shareholder value. It already has two gold mining operations, one at Sandstone in Western Australia the other at Goiás in Brazil, which produced 110,263 ounces in the 2005/06 year.

Finally, I'd like to thank all those involved with Horizonte, our shareholders for their continuing support and I look forward to updating the market on further positive developments in the near future.

David J Hall
Chairman
29 September 2006

FINANCIAL STATEMENTS

a. Consolidated Income Statement

	Note	*Period 1-Jan-06 30-Jun-06 Unaudited* £	*Period 14-Jun-05 30-Jun-05 Unaudited* £	*Period 14-Jun-05 31-Dec-05 Unaudited* £
Turnover		-	-	-
Other operating expenses		(69,019)	(175)	(73,897)
Gain on Foreign exchange		33,845	-	-
Loss from operations	*3*	(35,174)	(175)	(73,897)
Finance Income		17,656	-	2,960
Loss from ordinary activities before taxation		(17,518)	(175)	(70,937)
Taxation		-	-	-

Retained loss for the period attibutable to shareholders		(17,518)	(175)	(70,937)
Loss per share (pence)	*10*	(0.10)	0.00	(0.41)

b. Consolidated Balance Sheet

	Note	*30-Jun-06* £	*30-Jun-05* £	*31-Dec-05* £
ASSETS				
Non-Current Assets				
Intangible Assets		893,686	-	152,770
Property, plant and equipment		944	-	-
		894,630	-	152,770
Current Assets				
Other receivables	*6*	21,322	-	467
Bank balances and cash		2,102,995	-	499,195
		2,124,317	-	499,662
Total Assets		3,018,947	-	652,432
EQUITY AND LIABILITIES				
Equity	*8*			
Issued Capital		295,077	218,410	218,410
Share Premium		1,826,894	-	-
Reserves		(829,135)	(218,585)	346,653
		2,951,106	(175)	565,063
Current Liabilities				
Borrowings		-	-	55,580
Trade payables and accrued expenses	*7*	67,841	175	31,789
		67,841	175	87,369
Total Liabilities		67,841	175	87,369
Total Equity and Liabilities		3,018,947	-	652,432

c. Consolidated Statement of Changes in Equity

	Share Capital £	*Share Premium* £	*Retained Reserve* £	*Merger Reserve* £	*Total* £
As at 1 January 2006	218,410	-	(70,937)	417,590	565,063
Issue of Ordinary Shares	76,667	2,223,333	-	-	2,300,000
Issuance Costs	-	(396,439)	-	-	(396,439)
Movement on merger reserve	-	-	-	500,000	500,000
Loss for the period	-	-	(17,518)	-	(17,518)
As at 30 June 2006	295,077	1,826,894	(88,455)	917,590	2,951,106

d. Consolidated Cash Flow Statement

	Period 1-Jan-06 30-Jun-06 Unaudited £	*Period 14-Jun-05 30-Jun-05 Unaudited* £	*Period 14-Jun-05 31-Dec-05 Unaudited* £
Cash flows from operating activities			

Loss before taxation	(17,518)	(175)	(70,937)
Interest income	(17,656)	-	(2,960)
Depreciation	113	-	-
Operating loss before changes in working capital	(35,061)	(175)	(73,897)
Increase in other receivables and prepayments	(20,855)	-	(467)
Increase in trade payables and accrued expenses	36,052	175	31,789
Net cash outflow from operating activities	(19,864)	-	(42,575)
Cash flows from investing activities			
Purchase of intangible assets	(240,916)	-	(152,770)
Purchase of property, plant and equipment	(1,057)	-	-
Interest received	17,656	-	2,960
Net Cash used in investing activities	(224,317)	-	(149,810)
Cash flows from financing activities			
Proceeds from issue of ordinary shares	2,300,000	-	636,000
Issue Costs	(396,439)	-	
Short term Borrowings	(55,580)	-	55,580
Net cash inflow from financing activities	1,847,981	-	691,580
Net increase in cash and cash equivalents	1,603,800	-	499,195
Cash and cash equivalents at beginning of period	499,195	-	-
Cash and cash equivalents at end of period	2,102,995	-	499,195
Consisting of:			
Company Cash	2,102,995	-	499,195

Note:
During the period £500,000 of intangible assets were purchased by the issue of 10 million shares.

NOTES TO FINANCIAL STATEMENTS

1. Basis of preparation

This financial information has been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations, as adopted by the European Union and those parts of the Companies Act 1985 applicable to companies reporting under IFRS. The financial information has been prepared under the historical cost convention. The financial information is in conformity with generally accepted accounting principles and requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The financial information set out above does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. It has been prepared on a going concern basis in accordance with the International Financial Reporting Standards. The accounting policies applied in preparing the financial information are consistent with those that will be adopted in the Group's 2006 statutory accounts.

The financial information for the periods ended 30 June 2005 and 31 December 2005 and the six months ended 30 June 2006 has not been audited and no accounts have yet been filed at Companies House.

Basis of consolidation

Horizonte Minerals plc was incorporated on 16 January 2006. On 23 March 2006 Horizonte Minerals plc acquired the entire issued share capital of Horizonte Exploration Ltd Limited by way of a share for share exchange. The transaction has been treated as a group reconstruction and has been accounted for using the merger accounting method. Accordingly the financial information for the current period and comparatives has been presented as if HE Limited had been owned by Horizonte Minerals plc throughout the current and prior periods and therefore the information presented for the period to 30 June 2005 and the period to 31 December 2005 represents the activity of HE Limited and its subsidiaries.

2. Summary of significant accounting policies

a) Intangible assets

The Company recognises expenditure as exploration and evaluation assets when it determines that those assets will be successful in finding specific mineral resources. Expenditure included in the initial measurement of exploration and evaluation assets and which are classified as intangible assets relate to the acquisition of rights to explore, topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling and activities to evaluate the technical feasibility and commercial viability of extracting a mineral resource.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The assessment is carried out by allocating exploration and evaluation assets to cash generating units which are based on geographical areas.

Whenever the exploration for and evaluation of mineral resources in cash generating units does not lead to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities of that unit, the associated expenditures will be written off to the Income Statement.

b) Property, plant and equipment

Fixtures and equipment are stated at cost less accumulated depreciation.

Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method, on the following bases:

Office equipment 25%

Software 33%

c) Impairment

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount.

Impairment losses are recognised as an expense immediately, unless the relevant asset is land or buildings at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

d) Foreign currency translation

i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the ‘functional currency’). The financial statements are presented in sterling, which is the Company’s presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

e) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

f) Taxation
The charge for current tax is based on the results for the period, as adjusted for items which are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction, which affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

g) Share capital
Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax. Incremental costs directly attributable to the issue of equity instruments as consideration for the acquisition of a business are included in the cost of acquisition.

h) Operating leases
Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Operating lease payments are charged to operating profit on a straight-line basis over the period of the respective leases.

i) Financial instruments
Financial assets are recognised in the balance sheet at the lower of cost and net realisable value. Provision is made for diminution in value where appropriate. Interest receivable and payable is accrued and credited/charged to the profit and loss account in the period to which it relates.

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

3. Loss from operations
Loss from operations is stated after charging the following:

	£
Depreciation	113

4. Taxation
No charge to taxation arises due to the tax losses incurred. No deferred tax asset has been recognised on accumulated tax losses as the recoverability of any assets is not likely in the foreseeable future.

5. Employees
As at 30 June 2006 the Company and its subsidiaries employed 12 people

6. Other receivables

	£
VAT due	21,322

7. Other payables

Trade payables and accrued expenses consist of:

	£
Professional fees	3,109
Administration expenses	6,700
Financing costs	58,032
	67,841

All of the other payables expenses are expected to be settled within one year of the balance sheet date

8. Share capital

	Number of Shares	£
Authorised		
Ordinary shares of £0.01 each	100,000,000	1,000,000
Allotted, Called up and Fully Paid		
Ordinary shares of £0.01 each	29,507,700	295,077

During the period the Company allotted a total of 7,666,666 ordinary 1p shares for an aggregate consideration of £2,300,000 The difference between the total consideration and the total nominal value of £2,223,333 has been credited to the share premium account.

9. Dividends

No dividend has been declared or paid by the Company during the period ended 30 June 2006.

10. Loss per share

The loss per share is 0.10 p (2005: 0).

The loss per share is calculated by dividing the loss for the period of £17,517 (2005: £175) by 17,413,744 (2005:17,413,744) ordinary shares, being the weighted average number of shares in issue. There is no difference between the diluted loss per share and the loss per share shown.

Independent review report to the Directors of Horizonte Minerals plc

Introduction

We have been instructed by the Company to review the financial information for the six months ended 30 June 2006 which comprises the consolidated income statement, the consolidated balance sheet, the consolidated statement of changes in equity and the consolidated cash flow statement and the related notes to the accounts and we have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report, including the conclusion, has been prepared for and only for the Company for the purpose of the AIM Rules of the London Stock Exchange and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

Directors' Responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the Directors. The Directors are responsible for preparing the interim report in accordance with the AIM Rules of the London Stock Exchange which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the annual accounts except where any changes, and the reasons for them, are disclosed.

Review Work Performed

We conducted our review in accordance with the guidance contained in Bulletin 1999/4; the review of interim financial information issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK and Ireland) and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

Review Conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2006.

CLB Littlejohn Frazer
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