

# Shareholder News

## Creating shareholder value through generative exploration

Dear Shareholder,

The Company continues to make good progress in developing its assets to add value and presence in South America. Our flagship project, Lontra in Brazil has returned encouraging nickel values from first pass drilling, results are expected shortly from drilling at our El Aguila silver project in Peru and new gold anomalies at our Falcao project are due to be drilled. We look forward to updating you with these developments in the near future. We are acutely aware however that the share price performance has not been strong and we believe that it has in no way reflected the advances that we have made since we listed in May 2006. As such we are taking measures that we believe will provide increased support and awareness going forward. This includes the appointment of Fairfax as our new broker and nominated adviser. They have a strong mining team led by analyst John Meyer and we look forward to working with the team and developing the Company's story.



View of drill rig at Zona Sur - El Aguila, Peru

The Company's strategy remains simple - to create shareholder value by generating and rapidly advancing exploration projects before joint venturing them with a major to further develop the projects and provide mid-term cash flow, which can be fed back into the business and its other projects. We believe this model has now been proven following our deal with Troy Resources, signed in mid December for the Tangara gold project in Brazil. Horizonte has invested circa US\$ 1 million in the development of the project to date. The three year option agreement with Troy provides a project investment of US\$2 million, regular cash payments to the Company totalling US\$800,000 and a further US\$2 million cash payment upon exercise of the option. This is followed by a royalty payment on production of US\$30 per ounce up to 500,000 oz produced. The potential value, subject to a resource definition, could be in the region of US\$15 million, which demonstrates added value through early stage exploration.

## Exploration programmes

The Horizonte field teams have been making good progress over the last three months. In Brazil the principle focus is now the Lontra Nickel Laterite project, where we are working towards resource definition. In Peru, we have significantly increased field activity, a 1,600m diamond drilling programme was concluded on the El Aguila project in late December, and in the last two months, over 14 projects have been reviewed with three now under exclusive due diligence.

Outlined below is a brief update on our exploration programmes.

### Brazil

A 2,000m shallow auger drilling programme is ongoing at the Lontra Ni Laterite project in the Carajas Mineral Province of Northern Brazil, aiming to fast track this project to the resource stage.

The project developed from an initial stream sediment sampling programme in mid 2007, to a stage where we now have two clear Ni



Auger drilling - Lontra, Brazil Jan 2008

laterite targets defined down to a depth of 12m by auger drilling, the Raimundo and Southern anomalies, and a further two targets with auger drilling underway. At Raimundo drilling and mapping has defined ultramafic rocks with nickel mineralisation over a 2 kilometre strike with an average width of 400m. A reverse Circulation drilling programme is planned in Q2 to test the nickel mineralisation down to 50m depth and determine the resource potential of the targets.

Results from the first four holes drilled at the Southern Anomaly returned a high of 4m at 1% Ni, with the initial test drill holes demonstrating that there are consistent nickel values in the top 10m of the laterite. These are summarised below:



Diamond drilling at Tangara Project – Brazil

Hole	From	To	Interval	Ni*	Co	Including
412	2m	E0H	+5.8m	0.25%	0.02%	
413	6m	E0H	+6.5m	0.86%	0.04%	4m @ +1%Ni
415	6m	E0H	+1m	0.36%	0.03%	
416	2m	E0H	+10.5m	0.35%	0.02%	10.5m @ 0.1%Cu



Panoramic views of El Aguilia

We believe this is an exciting new nickel laterite province. With the Serra da Tapa nickel laterite deposit being developed by Xstrata to the north of the project area and with Teck Cominco drilling directly to the east and south of the Lontra project ([www.teckcominco.com](http://www.teckcominco.com))

we are confident of a potential economic nickel discovery at our Lontra project.

At the Falcao gold project in Carajas Mineral District, stream sediment and soil grid sampling has been completed over the western portion of the project area. Areas of gossan have also been mapped outboard of the main anomaly, with results from this work expected shortly. A diamond drilling programme has been scheduled for early Q3.

## Peru

The 1,600m diamond drilling programme was completed in late December on the El Aguilá silver, lead, zinc project in the

Cerro de Pasco mining district in central Peru. This was designed to test the geophysical anomalies in the Zona Sur and to test the Pacos Hill mineralisation to depth. We anticipate all results to be released by the end of March.

We are pleased to welcome Gonzalo Lemuz, who is now heading up the Peru operations, with over 15 years experience across South America working for Barrick, Anglogold and Newmont. Since January over 18 projects have been reviewed and there are now three under exclusive due diligence.



Drilling at El Aguilá, Pacos Hill – Peru Dec 2007

## Summary

The Company is set for growth in 2008, with three intermediate stage projects being worked towards resource definition, a generative programme of pipeline projects and a healthy cash position of £2.2 million to fund exploration. In addition we have a solid and expanding economic management team and new corporate presence in London. When you benchmark our current market capitalisation against peer group companies operating in the region we believe Horizonte represents a value story.

## Recent news releases

- 3rd March:** Appointment of new broker – Fairfax I.S PLC
- 11th February:** Brazilian nickel project update - encouraging nickel ('Ni') and cobalt ('Co') values from ongoing exploration programme on the highly prospective Lontra Nickel Laterite project in the Carajas Mineral Province of Northern Brazil
- 6th December:** Signed Option Agreement with Troy Resources (ASX:TRY), to operate and develop the Tangara Gold Project in Brazil

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## Investor Relations

The Horizonte team will be presenting at the following events;

**Proactive Investor 24 April**  
 – Chesterfield Hotel, London

Mines & Money 1-3 December  
 – Business Design Centre, London