

Horizonte Minerals plc / Index: AIM / Epic: HMZ / Sector: Mining  
23 September 2008

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

Horizonte Minerals plc, the AIM listed exploration and development company with assets in Brazil and Peru, is pleased to announce its interim results for six months ended 30 June 2008.

**Overview**

- Significant nickel laterite discovery made at Lontra project in Brazil
- Option taken over silver gold project in Peru from Barrick Gold
- Troy Resources Joint Venture initiative progressing well at Tangara gold project
- Evaluating strategic options at El Aguila silver project in Peru
- Strong cash position to advance core assets

**Chairman's Statement**

This has been another period of strong progress and has continued with confirmation of a major nickel laterite discovery at our Lontra project in Brazil. Horizonte's exploration strategy of identifying early stage projects and developing them to the resource stage in tandem with majors is proving successful. We have demonstrated this initially with our Tangara gold project, which we joint ventured with Troy Resources and most recently with Barrick Gold, the world's largest gold producer, with whom we have a Joint Venture to explore the Pararapa gold-silver project in Peru.

The resource sector remains relatively strong in spite of the turmoil in the financial markets. The demand for resources remains positive, led primarily by developing economies in Asia, Africa and South America. We are confident that our model will deliver value to shareholders as the major producers search for new quality projects to maintain their positions as providers of commodities to the industrialising world. As pointed out by Ernst & Young (AIM Miners: the bigger the better, August 2008), investors on AIM have been tired of waiting for exploration success. Exploration success is rare, yet the ultimate value creation for the investor arises from the element of discovery.

The Company's Lontra project is a case of value creation by discovery. From early recognition of presence of favourable rocks for nickel laterite development, rapid geological reconnaissance to soil sampling and auger drilling, Horizonte has moved the project through definitive decision points that justify continual investment in further exploration.

Your Company is midway through a 60 drill-hole programme which has already confirmed significant nickel laterite mineralisation and ultimately what we believe will be a major nickel laterite discovery. It is our aim to announce at least an inferred resource at the end of the drill-hole programme.

With regards to the Tangara gold project, Troy Resources is rapidly advancing the joint venture. Troy announced in their June 2008 quarterly update, that they had received a number of encouraging intersections from the Gerson Zone of Tangara, namely: 4 metres grading 3.68 g/t Au from 51 metres and 2 metres grading 144.11 g/t Au from 32 metres.

Troy has had 4 drill rigs operating on the project and has completed 119 holes for 6,705 metres. They are now following up with a limited diamond drill programme. We look forward to further encouraging results, hopefully leading to them exercising their option by paying US\$2 million cash plus associated royalty on production.

In Peru we have added to our technical team with the addition of Gonzalo Lemuz as Exploration Manager and he has been briefed to review and evaluate a new pipeline of projects in what is a highly prospective country. The first result is an association with Barrick Gold by optioning the Pararapa project. This is a potentially high grade gold-silver low sulphidation vein system in central Peru, in an area of similar known mineralisation and mines. We will quickly evaluate the project in terms of geology, controls on the veins and gold/silver distribution. Dependent on the results, our aim would be to rapidly move forward to drilling. Encouraging results and continuing work will see Barrick Gold become a shareholder of Horizonte. Companies such as Barrick are keen to associate with focussed exploration & discovery groups such as Horizonte and we perceive that our project flow will be increased by such an association.

El Aguila is advancing to an independent resource calculation stage and we expect to announce shortly our plans going forward for the project. Our aim is to examine the potential for farming out or vending this project, which would positively impact the Company's treasury.

With all the developments across the portfolio, a strong pipeline of projects, our expanding relationships with the majors and a further strengthening of the team, I believe you can as shareholders look forward to an exciting period over the next few months.

It remains for me to thank you for your continuing support and to thank the management and board for their continuing endeavours for Horizonte and the success generated so far.

David J. Hall  
Chairman

**\*\* ENDS \*\***

For further information visit [www.horizonteminerals.com](http://www.horizonteminerals.com) or contact:

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**Interim Results  
Consolidated Income Statements**

	<i>Period</i> <i>1-Jan-08</i> <i>30-Jun-08</i> <i>Un-audited</i>	<i>Period</i> <i>1-Jan-07</i> <i>30-Jun-07</i> <i>Un-audited</i>	<i>Period</i> <i>1-Jan-07</i> <i>31-Dec-07</i> <i>Audited</i>
<i>Note</i>	<i>£</i>	<i>£</i>	<i>£</i>
<b>Revenue</b>	-	-	-
Cost of Sales	-	-	-
<b>Gross Profit</b>	-	-	-
Administrative Expenses	(316,890)	(168,815)	(513,551)
(Loss)/Gain on Foreign Exchange	(3,477)	39,754	3,180
<b>Loss from Operations</b>	(320,367)	(129,061)	(510,371)
Finance Income	43,915	30,425	96,859
<b>Loss before Taxation</b>	(276,452)	(98,636)	(413,512)
Taxation	-	-	-
<b>Retained Loss for the Period attributable to Equity Shareholders</b>	(276,452)	(98,636)	(413,512)
<b>Loss per share (pence) – Basic and Diluted</b>	4 (0.68)	(0.33)	(1.20)

**Interim Results  
Consolidated Balance Sheet**

	<i>30-Jun-08</i> <i>Un-audited</i>	<i>30-Jun-07</i> <i>Un-audited</i>	<i>31-Dec-07</i> <i>Audited</i>
	<i>£</i>	<i>£</i>	<i>£</i>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			

Intangible Assets	2,720,988	1,793,291	2,285,037
Property, Plant and Equipment	1,645	818	1,169
	2,722,633	1,794,109	2,286,206
<b>Current Assets</b>			
Trade and Other Receivables	3,249	8,423	104,552
Cash and Cash Equivalents	1,781,064	992,562	2,390,398
	1,784,313	1,000,985	2,494,950
<b>Total Assets</b>	4,506,946	2,795,094	4,781,156
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Issued Capital	404,477	295,077	404,477
Share Premium	5,771,728	3,793,147	5,771,728
Other Reserves	(1,048,100)	(1,048,100)	(1,048,100)
Retained Earnings	(826,706)	(354,323)	(618,755)
<b>Total Equity</b>	4,301,399	2,685,801	4,509,350
<b>Current Liabilities</b>			
Trade and Other Payables	205,547	109,293	271,806
<b>Total Liabilities</b>	205,547	109,293	271,806
<b>Total Equity and Liabilities</b>	4,506,946	2,795,094	4,781,156

### Consolidated Statement of Changes in Equity

	Share Capital £	Share Premium £	Accumulated Losses £	Other Reserves £	Total £
As at 1 January 2007	295,077	3,793,147	(255,687)	(1,048,100)	2,784,437
Loss for the period	-	-	(98,636)	-	(98,636)
As at 30 June 2007	295,077	3,793,147	(354,323)	(1,048,100)	2,685,801
As at 1 January 2008	404,477	5,771,728	(618,755)	(1,048,100)	4,509,350
Share options – value of employee services	-	-	68,501	-	68,501
Loss for the period	-	-	(276,452)	-	(276,452)
As at 30 June 2008	404,477	5,771,728	(826,706)	(1,048,100)	4,301,399

### Interim Results

#### Consolidated Cash Flow Statement

Excluido: ¶

	Period 1-Jan-08 30-Jun-08 Un-audited £	Period 1-Jan-07 30-Jun-07 Un-audited £	Period 1-Jan-07 31-Dec-07 Audited £
<b>Cash flows from operating activities</b>			

Loss before taxation	(276,452)	(98,636)	(413,512)
Interest income	(43,915)	(30,425)	(96,859)
Employee Share Options	68,501	-	50,444
Project impairment	-	-	50,888
Depreciation	273	154	381
<b>Operating loss before changes in working capital</b>	<b>(251,593)</b>	<b>(128,907)</b>	<b>(408,658)</b>
Decrease/(increase) in trade and other receivables	101,303	(5,630)	(101,759)
(Decrease)/increase in trade and other payables	(66,258)	17,726	180,239
<b>Net cash outflow from operating activities</b>	<b>(216,548)</b>	<b>(116,811)</b>	<b>(330,178)</b>
<b>Cash flows from investing activities</b>			
Net purchase of intangible assets	(435,951)	(348,096)	(890,730)
Purchase of property, plant and equipment	(750)	-	(578)
Interest received	43,915	30,425	96,859
<b>Net cash used in investing activities</b>	<b>(392,786)</b>	<b>(317,671)</b>	<b>(794,449)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of ordinary shares	-	-	2,087,981
<b>Net cash inflow from financing activities</b>	<b>-</b>	<b>-</b>	<b>2,087,981</b>
<b>Net(decrease)/increase in cash and cash equivalents</b>	<b>(609,334)</b>	<b>(434,482)</b>	<b>963,354</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>2,390,398</b>	<b>1,427,044</b>	<b>1,427,044</b>
<b>Cash and cash equivalents at end of period</b>	<b>1,781,064</b>	<b>992,562</b>	<b>2,390,398</b>
<b>Consisting of:</b>			
Group Cash	1,781,064	992,562	2,390,398

## Notes to the unaudited financial statements

### 1. General information

The principal activity of Horizonte Minerals Plc ('the Company') and its subsidiaries (together 'the Group') is the exploration and development of precious and base metals in Brazil and Peru.

### 2. Basis of preparation

The interim financial statements of the Group for the six months ended 30 June 2008 have been prepared on a going concern basis in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRSs) and on a basis consistent with the accounting policies set out in the Group's consolidated annual financial statements for the year ended 31 December 2007. They have not been audited, do not include all the information required for full annual financial statements, and should be read in conjunction with the Group's consolidated annual financial statements for the year ended 31 December 2007. The report of the auditors on those consolidated financial statements was unqualified. As permitted, the Company has chosen not to adopt IAS34 'Interim Financial Statements' in preparing these interim financial statements.

### 3. Significant accounting policies

A summary of the principal accounting policies applied in the preparation of the interim financial information are set out below.

#### *Basis of consolidation*

The consolidated financial statements present the results of the Company and its subsidiaries as if they formed a single entity. Intercompany transactions, balances and unrealised gains are therefore eliminated in full.

#### *Intangible assets*

The Group recognizes 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 specific projects or 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.

#### *Share based incentives*

The fair value of the employee services received in exchange for the grant of share options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. At each balance sheet date the group revises its estimate of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

#### **4. Loss per share**

The loss per share is 0.68p (2007: 0.33p).

The loss per share is calculated by dividing the loss for the period of £276,452 (2007: £98,636) by 40,447,666

(2007:29,507,700) 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.

5. Copies of the interim results are available on the Company's website, [www.horizonteminerals.com](http://www.horizonteminerals.com)

### **Independent review report to the Directors of Horizonte Minerals Plc**

#### **Introduction**

We have been engaged by the Company to review the condensed set of Financial Statements in the half-yearly financial report for the six months ended 30 June 2008 which comprise the consolidated income statement, consolidated balance sheet, consolidated statement of changes in equity, consolidated cash flow statement and related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

**Directors' Responsibilities**

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the AIM Rules for Companies.

The annual Financial Statements of the Group are prepared in accordance with the recognition and measurement criteria of IFRSs as adopted by the European Union. The condensed set of Financial Statements included in this half-yearly financial report has been prepared in accordance with the AIM Rules for Companies.

**Our Responsibility**

Our responsibility is to express to the Company a conclusion on the condensed set of Financial Statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the AIM Rules for Companies. We do not, in producing this report, accept or assume responsibility for any other purpose 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.

**Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of Financial Statements in the half-yearly financial report for the six months ended 30 June 2008 is not prepared, in all material respects, in accordance with the AIM Rules for Companies.

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