

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

Horizonte, the AIM quoted exploration and development company focussed on Brazil and Peru, is pleased to announce its results for the year ended 31 December 2008.

**Overview**

- Excellent progress made across portfolio of gold, silver and base metal projects in Brazil and Peru
- Strategic association with LGA Mineracao to advance and develop six pipeline projects through a funding package of R\$ 1 million over 12 months
- Completion of a 62 hole diamond drilling programme on the Lontra Nickel project
- Lontra results demonstrate good nickel grades, resource calculation underway
- JV agreement with Barrick Gold on the Pararapa gold silver project in Southern Peru
- Troy Resources making good progress on the Tangara gold project – drilling returns multiple high grade gold intercepts
- Evaluating additional opportunities to expand project portfolio

**Chairman's Statement**

I am pleased to present Horizonte's preliminary results for the financial year ended 31 December 2008.

The period since my last annual report has been dominated by unprecedented market conditions and economic uncertainty. The impact of the global economic crisis has been far reaching and it has had an exaggerated impact upon the resources sector. However, in spite of this, I am pleased to say that Horizonte has been able to adapt its strategy and approach, with significant progress being made on the development of the Company's projects.

Through a combination of joint ventures, farm out operations and focussed spending, we are actively advancing our core projects and the Board continues to seek new opportunities through which it can create shareholder value. Horizonte's business model remains unchanged which is to focus on adding value whilst minimising risk. The

Company's core objective is to discover and develop new world-class deposits in order to farm-out or sell on to mid-tier and major mining companies.

In this vein, Horizonte has rapidly upgraded its Lontra project, located within the Araguaia mobile belt approximately 10km to the east of Teck Cominco's advanced exploration project at Vila Oito and 80km to the south of Xstrata's advanced Serra da Tapa nickel laterite deposit. It has progressed from a good grassroots discovery to being a drill proven major new nickel deposit. In September, we announced the initial diamond drill results from the first 18 holes with highlights being 1.58% Ni over 11 metres, 1.55% Ni over 7.9 metres and 1.21% Ni over 11.8 metres. Further drill results have substantiated the project as being significant which included 1.60% Ni over 7.67 metres in DDH-26, 1.40% Ni over 13.83 metres in DDH-41 and 1.42% Ni over 7.81 metres in DDH-55.

To date we have only evaluated a small percentage of the property but with these results in hand and our geological mapping outlining the area of ultramafic that weathers to form the nickel laterite horizon, we are confident of expanding the tonnage significantly beyond the initial resource estimate targeted for Q2 2009.

Troy Resources NL ('Troy') continues to explore our Tangara gold project with new encouraging results from the Rio Maria zone. In particular it has identified a major gold-in-soil anomaly measuring 1,000 metres long and up to 500 metres wide, where soil values up to 1.4 g/t Au are present and channel samples have returned 3.0 metres grading 13.55 g/t Au and 4.5 metres grading 7.6 g/t Au. We look forward to further results once in-fill sampling and drilling commences in the coming months.

In Peru, the Company has continued to progress and the recent resurgence in the silver price is good news for our El Aguila project. The resource estimate undertaken by external consultants SAMSA, based on a high 100 g/t Ag equivalent cut-off, showed the presence of 1.17 Mt grading 148.7 g/t Ag equivalent. However, the key to exploring El Aguila further is at depth and this will require serious drill commitment. Accordingly, and in line with our business model, Horizonte is in the process of securing an appropriate partner to undertake this work. It is my view that El Aguila is a valuable asset; the project is located in the proximity of several mines in the world-class Cerro de Pasco mining district and benefits from existing infrastructure and a mineralisation that is largely understood. The Board is of the opinion that there will be a ready market for this asset once the Company has established a defined resource.

In July 2008 we signed a heads of agreement with Barrick Gold Corporation ('Barrick'), the world's largest gold producer, to explore and develop the Pararapa gold-silver project

in southern Peru. We rapidly embarked on early evaluation of the project and received encouragement with high grade channel samples returning up to 14.3 g/t Au and 1,230 g/t Ag. Further work will include mapping and sampling over newly identified gold zones and targeting ore shoots within the extensive vein structure on the property. This will be followed by a drill programme to determine the extent and depth of the high grade mineralisation defined to date in the old workings.

On a broader level, in Brazil we recently secured financing from LGA Mineração e Siderurgia Ltda ('LGA'), our partners on the Lontra project, to explore a series of early stage projects and to generate new opportunities. The Board believes this is confirmation of LGA's confidence in our management and its ability to generate value from other early stage projects as we did with Lontra.

Given the current market, and following a review by the Remuneration Committee, the Board intend to cancel the existing share options and implement a new scheme to reflect the changed market conditions and keep employees incentivised in their effort to fulfil the Company's development strategy.

The Board is cognisant of the performance of the Company's share price over the last 12 months and all efforts are being made to re-dress this situation. I am pleased that the Company has been able to adjust its strategy to enable it to continue to progress the development of its projects against such a difficult back drop. In the medium to longer term the Board is confident that this strategy will place the Company in a strong position to realise significant value for its shareholders.

So it remains for me to reiterate my thanks for your continuing support and also to thank the management and fellow board members for their hard work through what has been a tough year for the resource sector. However, with an exciting portfolio, strong partners and an experienced team, I believe Horizonte is well positioned to come through 2009 stronger than it entered it.

David J. Hall  
Chairman

## Consolidated Income Statement –by function of expense

For the year ended 31 December 2008

	Year ended 31 December 2008	Year ended 31 December 2007
	£	£
<b>Revenue</b>		
Cost of sales	-	-
<b>Gross profit</b>		
Administration expenses	(1,011,054)	(462,663)
Project impairment	(545,310)	(50,888)
(Loss)/gain on foreign exchange	<u>(9,073)</u>	<u>3,180</u>
<b>Loss from operations</b>	<u>(1,565,437)</u>	<u>(510,371)</u>
Finance income	<u>68,124</u>	<u>96,859</u>
<b>Loss before taxation</b>	<u>(1,497,313)</u>	<u>(413,512)</u>
Taxation	-	-
<b>Retained loss for the year attributable to equity shareholders</b>	<u>(1,497,313)</u>	<u>(413,512)</u>
<b>Loss per share (pence) – basic and diluted</b>	<b>(3.70)</b>	<b>(1.20)</b>

There are no recognised gains or losses other than the results for the year as set out above.

## Consolidated Balance Sheet

As at 31 December 2008

	As at 31 December 2008	As at 31 December 2007
	£	£
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	2,380,528	2,285,037
Property, plant & equipment	<u>1,638</u>	<u>1,169</u>
	<u>2,382,166</u>	<u>2,286,206</u>
<b>Current assets</b>		
Trade and other receivables	4,600	104,552
Cash and cash equivalents	<u>1,043,502</u>	<u>2,390,398</u>
	<u>1,048,102</u>	<u>2,494,950</u>
<b>Total assets</b>	<b><u>3,430,268</u></b>	<b><u>4,781,156</u></b>

## **EQUITY AND LIABILITIES**

### **Equity**

Issued capital	<b>404,477</b>	404,477
Share premium	<b>5,771,728</b>	5,771,728
Other reserves	<b>(1,048,100)</b>	(1,048,100)
Retained earnings	<b>(1,995,264)</b>	(618,755)

### **Total equity**

**3,132,841**

**4,509,350**

### **Current liabilities**

Trade and other payables	<b>297,427</b>	271,806
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### **Total liabilities**

**297,427**

271,806

### **Total equity and liabilities**

**3,430,268**

**4,781,156**

## **Consolidated Statement of Changes in Equity**

	Share capital	Share premium	Accumulated losses	Other reserves	Total
<b>As at 1 January 2007</b>	£	£	£	£	£
Issue of ordinary shares	295,077	3,793,147	(255,687)	(1,048,100)	2,784,437
Issue costs	109,400	2,078,600	-	-	2,188,000
Share options – value of employee services	-	(100,019)	-	-	(100,019)
Loss for the period	-	-	50,444	-	50,444
	-	-	(413,512)	-	(413,512)
<b>As at 31 December 2007 and 1 January 2008</b>	<b>404,477</b>	<b>5,771,728</b>	<b>(618,755)</b>	<b>(1,048,100)</b>	<b>4,509,350</b>
Share options -value of employee services	-	-	120,804	-	120,804
Loss for the period	-	-	(1,497,313)	-	(1,497,313)
<b>As at 31 December 2008</b>	<b>404,477</b>	<b>5,771,728</b>	<b>(1,995,264)</b>	<b>(1,048,100)</b>	<b>3,132,841</b>

## **Consolidated Cash Flow Statement**

For the year ended 31 December 2008

	Year ended 31 December 2008	Year ended 31 December 2007
	£	£
<b>Cash flows from operating activities</b>		
Loss before taxation	(1,497,313)	(413,512)
Interest income	(68,124)	(96,859)
Employee share options charge	120,804	50,444
Project impairment	545,310	50,888
Depreciation	630	381
<b>Operating loss before changes in working capital</b>	<b>(898,693)</b>	<b>(408,658)</b>

Decrease in trade and other receivables	<b>103,238</b>	(101,759)
Increase in trade and other payables	<b>25,621</b>	180,239
<b>Net cash outflow from operating activities</b>	<b>(769,834)</b>	(330,178)
 <b>Cash flows from investing activities</b>		
Net purchase of intangible assets	<b>(640,801)</b>	(890,730)
Purchase of property, plant and equipment	<b>(1,099)</b>	(578)
Interest received	<b>64,838</b>	96,859
<b>Net cash used in investing activities</b>	<b>(577,062)</b>	(794,449)
 <b>Cash flows from financing activities</b>		
Proceeds from issue of ordinary shares	<b>-</b>	2,087,981
<b>Net cash inflow from financing activities</b>	<b>-</b>	<b>2,087,981</b>
 <b>Net decrease in cash and cash equivalents</b>	<b>(1,346,896)</b>	963,354
 <b>Cash and cash equivalents at beginning of year</b>	<b>2,390,398</b>	1,427,044
 <b>Cash and cash equivalents at end of the year</b>	<b>1,043,502</b>	<b>2,390,398</b>
 <b>Consisting of:</b>		
Group cash	<b>1,043,502</b>	<b>2,390,398</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Basis of preparation

These financial statements above have 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 and on a going concern basis. 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.

### 2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below and have been consistently applied.

#### Intangible assets

The Group 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 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 are written off to the income statement.

### **Impairment**

At each balance sheet date, the Group 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 Group 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 the recoverable amount. 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 revalued asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### **3. Expenses by nature**

	<b>2008</b>	2007
	£	£
Employee benefit expenses	<b>393,374</b>	198,182
Exploration related costs expensed	<b>390,463</b>	-
Depreciation	<b>630</b>	381
Other expenses	<b>226,587</b>	264,100
	<hr/> <b>1,011,054</b>	<hr/> 462,663

### **4. Dividends**

No dividend has been declared or paid by the Company during the year ended 31 December 2008 (2007: nil).

### **5. Loss per share**

The basic loss per share is 3.70p (2007: 1.20p) and the diluted loss per share is 3.70p (2007:1.20p).

The basic loss per share is calculated by dividing the loss for the year of £1,497,313 (2007: £413,512) by 40,447,666 (2007:34,513,091) ordinary shares, being the weighted average number of shares in issue.

The diluted loss per share is the same as the basic loss per share as the options that were in existence have an anti-dilutive effect on the loss per share and therefore have not been taken into account.

## **6. Timetable and distribution of accounts**

Copies of the Annual Report and Accounts will be sent to shareholders in due course and further copies will be available on the Company's website, [www.horizonteminerals.com](http://www.horizonteminerals.com), or from the Company's registered office, 22 Grafton Street, London W1S 4EX.

The Annual General Meeting will be held at 3 pm on Thursday 28 May 2009 at the offices of the Company's nominated adviser Hanson Westhouse Limited, 12<sup>th</sup> Floor, One Angel Court, London, EC2R 7HJ.

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

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## **Notes to Editors:**

Horizonte Minerals plc is an AIM quoted exploration and development company with an extensive portfolio of gold, nickel, silver, lead and zinc projects in producing mineral districts in Brazil and Peru. It has three primary projects working towards a resource definition, including the 22,556 hectare Lontra nickel project situated in the Araguaia mobile belt, which flanks the eastern margin of the Carajas Mineral Province of northern Brazil, the silver-zinc-lead project El Agulia in Peru, located in the historic mining district of Cerro de Pasco and the 2,147 hectare Pararapa gold property located in the Department of Arequipa, southern Peru, which it is advancing in tandem with Barrick

Gold. In addition it has a generative pipeline of early stage projects in development including 300 sq km Falcao gold project located near the Lontra project.

The Company is focussed on generating and rapidly advancing exploration projects before joint venturing them with a major mining company to further develop the projects and provide mid-term cash flow, which can be fed back into the business and its other projects. This model was initially proven in December 2007 when Horizonte signed an option agreement with Troy Resources (ASX:TRY), to operate and develop its Brazilian Tangara gold project by expending a total US\$2.8 million on exploration and development as well as a royalty payment on production.

Additionally, Horizonte has established a 50:50 joint venture company with private Brazilian trading company LGA Mineração e Siderurgia Ltda. (LGA). The JV has been set up to finance the development of pipeline projects, where both parties will look to identify and acquire suitable bolt-on mineral projects in Brazil. Horizonte has contributed six of its early stage pipeline projects to the JV with LGA providing funding of R\$1 million (c.US\$441,000). The JV will be managed and administered by Horizonte and will allow the Company to draw upon LGA's downstream expertise.