Horizonte Minerals plc

Condensed Consolidated Interim Financial Statements for the three months ended 31 March 2011

Condensed consolidated statement of comprehensive income

	Notes	3 months ended 31 March 2011 Unaudited £	3 months ended 31 March 2010 Unaudited £
Continuing operations			
Revenue		**-**	**-**
Cost of sales		**-**	**-**
Gross profit		**-**	**-**
Administrative expenses		**(501,160)**	**(279,380)**
Acquisition costs expensed		**-**	**(115 000)**
(Loss)/gain on foreign exchange		**(13,442)**	**7,011**
Other operating income		**327,110**	**-**
Loss from operations		**(187,492)**	**(387,369)**
Finance income		**42,782**	**905**
Finance costs		**(45,648)**	**-**
Loss before taxation		**(190,358)**	**(386,464)**
Taxation		**-**	**-**
Loss for the year from continuing operations		**(190,358)**	**(386,464)**
Other comprehensive income			
Exchange differences on translating foreign operations		**(284,471)**	**-**
Total comprehensive income for the period attributable to equity holders of the Company		**(474,829)**	**(386,464)**
Earnings per share from continuing operations attributable to the equity holders of the Company			
Basic and diluted (pence per share)	9	**(0.072)**	**(0.655)**

Condensed consolidated statement of financial position

	Notes	31 March 2011 Unaudited £	31 December 2010 Audited £
Assets			
Non-current assets			
Intangible assets	5	**17,406,344**	**16,918,202**
Property, plant & equipment	6	**245,878**	**168,223**
Deferred taxation		**7,953,616**	**8,079,087**
		25,605,838	**25,165,512**
Current assets			
Trade and other receivables		**81,063**	**72,314**
Cash and cash equivalents		**10,775,560**	**3,847,031**
		10,856,623	**3,919,345**
Total assets		**36,462,461**	**29,084,857**
Equity and liabilities			
Equity attributable to owners of the parent			
Issued capital	7	**2,795,600**	**2,465,605**
Share premium	7	**18,772,797**	**11,283,355**
Other reserves		**10,648,821**	**10,933,292**
Accumulated losses		**(2,328,050)**	**(2,184,252)**
Total equity		**29,889,168**	**22,498,000**
Liabilities			
Non-current liabilities			
Contingent consideration		**2,722,150**	**2,676,502**
Deferred taxation		**3,456,806**	**3,511,338**
		6,178,956	**6,187,840**
Current liabilities			
Trade and other payables		**394,337**	**399,017**
		394,337	**399,017**
Total liabilities		**6,573,293**	**6,586,857**
Total equity and liabilities		**36,462,461**	**29,084,857**

Condensed statement of changes in shareholders' equity

	Attributable to the owners of the parent				
	Share capital £	Share premium £	Accumulated losses £	Other reserves £	Total £
As at 1 January 2010	**590,191**	**6,811,399**	**(2,867,224)**	**(1,048,100)**	**3,486,266**
Comprehensive income					
Loss for the period	-	-	(386,464)	-	(386,464)
Total comprehensive income	-	-	(386,464)	-	(386,464)
Transactions with owners					
Share based payments	-	-	4,239	-	4,239
Total transactions with owners			4,239		4,239
As at 31 March 2010	**590,191**	**6,811,399**	**(3,249,449)**	**(1,048,100)**	**3,104,041**
As at 1 January 2011	**2,465,605**	**11,283,355**	**(2,184,252)**	**10,933,292**	**22,498,000**
Comprehensive income					
Loss for the period	-	-	(190,358)	-	(190,358)
Other comprehensive income					
Currency translation differences	-	-	-	(284,471)	(284,471)
Total comprehensive income	-	-	(190,358)	(284,471)	(474,829)
Transactions with owners					
Issue of ordinary shares	329,995	7,919,880	-	-	8,249,875
Issue costs	-	(430,438)	-	-	(430,438)
Share based payments	-	-	46,560	-	46,560
Total transactions with owners	329,995	7,489,442	46,560	-	7,865,997
As at 31 March 2011	**2,795,600**	**18,772,797**	**(2,328,050)**	**10,648,821**	**29,889,168**

Condensed Consolidated Statement of Cash Flows

	3 months ended 31 March 2011	3 months ended 31 March 2010
	Unaudited	**Unaudited**
	£	**£**
Cash flows from operating activities		
Loss before taxation	**(190,358)**	**(386,464)**
Interest income	**(42,782)**	**(905)**
Finance costs	**45,648**	**-**
Employee share options charge	**46,560**	**4,239**
Depreciation	**2,233**	**1,781**
Operating loss before changes in working capital	**(138,699)**	**(381,349)**
Increase in trade and other receivables	**(8,750)**	**(91,937)**
(Decrease)/increase in trade and other payables	**(4,678)**	**208,147**
Net cash outflow from operating activities	**(152,127)**	**(265,139)**
Cash flows from investing activities		
Net purchase of intangible assets	**(685,076)**	**(82,763)**
Purchase of property, plant and equipment	**(96,515)**	**(42,124)**
Interest received	**42,782**	**905**
Net cash used in investing activities	**(738,809)**	**(123,982)**
Cash flows from financing activities		
Net proceeds from issue of ordinary shares	**7,819,437**	**-**
Net cash inflow from financing activities	**7,819,437**	**-**
Net increase/(decrease) in cash and cash equivalents	**6,928,501**	**(389,121)**
Cash and cash equivalents at beginning of year	**3,847,031**	**1,281,410**
Exchange gains on cash and cash equivalents	**28**	**-**
Cash and cash equivalents at end of the year	**10,775,560**	**892,289**

Notes to the 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. There is no seasonality or cyclicality of the Group's operations.

The Company's shares are listed on the Alternative Investment Market of the London Stock Exchange and on the Toronto Stock Exchange (TSX) (refer note 12). The Company is incorporated and domiciled in the United Kingdom. The address of its registered office is 26 Dover Street London W1S 4LY.

2 Basis of preparation

The condensed interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards and in accordance with International Accounting Standard 34 *Interim Financial Reporting*. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2010, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The condensed interim financial statements set out above do not constitute statutory accounts within the meaning of the Companies Act 2006. They have been prepared on a going concern basis in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as adopted by the European Union. Statutory financial statements for the year ended 31 December 2010 were approved by the Board of Directors on 3 March 2011 and delivered to the Registrar of Companies. The report of the auditors on those financial statements was unqualified.

The condensed interim financial statements of the Company have not been audited but have been reviewed by the Company's auditor, Littlejohn LLP, whose independent review report is included in this Interim Report.

Going concern

The Directors, having made appropriate enquiries, consider that adequate resources exist for the Group to continue in operational existence for the foreseeable future and that, therefore, it is appropriate to adopt the going concern basis in preparing the condensed interim financial statements for the three months ended 31 March 2011.

Risks and uncertainties

The Board continuously assesses and monitors the key risks of the business. The key risks that could affect the Group's medium term performance and the factors that mitigate those risks have not substantially changed from those set out in the Group's 2010 Annual Report and Financial Statements, a copy of which is available on the Group's website: www.horizonteminerals.com. The key financial risks are liquidity risk, foreign exchange risk, credit risk, price risk and interest rate risk.

Critical accounting estimates

The preparation of condensed interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period. Significant items subject to such estimates are set out in note 4 of the Group's 2010 Annual Report and Financial Statements. The nature and amounts of such estimates have not changed significantly during the interim period.

3. Significant accounting policies

The condensed interim financial statements have been prepared under the historical cost convention as modified by the revaluation of certain of the subsidiaries' assets and liabilities to fair value for consolidation purposes.

The same accounting policies, presentation and methods of computation have been followed in these condensed interim financial statements as were applied in the preparation of the Group's financial statements for the year ended 31 December 2010, except for the impact of the adoption of the Standards and interpretations described below.

The preparation of condensed interim financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's Accounting Policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the condensed interim financial statements, are disclosed in Note 4 of the Group's 2010 Annual Report and Financial Statements.

3.1 Changes in accounting policy and disclosures

(a) New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2011 but not currently relevant to the Group.

The following standards and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2011 or later periods, but not currently relevant to the Group.

A revised version of IAS 24 "Related Party Disclosures" simplified the disclosure requirements for government-related entities and clarified the definition of a related party. This revision was effective for periods beginning on or after 1 January 2011.

An amendment to IFRS 1 "First-time Adoption of International Financial Reporting Standards" relieved first-time adopters of IFRSs from providing the additional disclosures introduced in March 2009 by "Improving Disclosures about Financial Instruments" (Amendments to IFRS 7). This amendment was effective for periods beginning on or after 1 July 2010.

Amendments to IFRS 7 "Financial Instruments: Disclosures" were designed to help users of financial statements evaluate the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position. These amendments were effective for periods beginning on or after 1 January 2011 but are still subject to EU endorsement.

Amendments to IAS 32 "Financial Instruments: Presentation" addressed the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer. These amendments were effective for periods beginning on or after 1 February 2010.

IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments" clarified the treatment required when an entity renegotiates the terms of a financial liability with its creditor, and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. This interpretation was effective for periods beginning on or after 1 July 2010.

An amendment to IFRIC 14 "IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction", on prepayments of a minimum funding requirement, applies in the limited circumstances when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendment permitted such an entity to treat the benefit of such an early payment as an asset. This amendment was effective for periods beginning on or after 1 January 2011.

(b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2011 and not early adopted

The Group's assessment of the impact of these new standards and interpretations is set out below.

IFRS 10 "Consolidated Financial Statements" builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. This standard is effective for periods beginning on or after 1 January 2013, subject to EU endorsement. The Directors are assessing the possible impact of this standard on the Group's Financial Statements.

IFRS 11 "Joint Arrangements" provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities. This standard is effective for periods beginning on or after 1 January 2013, subject to EU endorsement. The Directors are assessing the possible impact of this standard on the Group's Financial Statements.

IFRS 12 "Disclosure of Interests in Other Entities" is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. This standard is effective for periods beginning on or after 1 January 2013, subject to EU endorsement. The Directors are assessing the possible impact of this standard on the Group's Financial Statements.

IFRS 13 "Fair Value Measurement" improves consistency and reduces complexity by providing, for the first time, a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. It does not extend the use of fair value accounting, but provides guidance on how it should be applied where its use is already required or permitted by other standards. This standard is effective for periods beginning on or after 1 January 2013, subject to EU endorsement. The Directors are assessing the possible impact of this standard on the Group's Financial Statements.

4 Segmental reporting

The Company operates in three geographical areas, UK, Brazil, and Peru, with operations managed on a project by project basis within each geographical area. Activities in the UK are mainly administrative in nature whilst the activities in Brazil and Peru relate to exploration and evaluation work. The reports used by the chief operating decision maker are based on these geographical segments.

2011	UK 3 months ended 31 March 2011 £	Brazil 3 months ended 31 March 2011 £	Peru 3 months ended 31 March 2011 £	Total 3 months ended 31 March 2011 £
Revenue	**-**	**-**	**-**	**-**
Administrative expenses	**(445,907)**	**(49,250)**	**(6,003)**	**(501,160)**
Loss on foreign exchange	**(13,442)**	**-**	**-**	**(13,442)**
Other operating income	**327,110**	**-**	**-**	**327,110**
Loss from operations per reportable segment	**(132,239)**	**(49,250)**	**(6,003)**	**(187,492)**
Inter segment revenues	**-**	**32,792**	**12,895**	**45,687**
Depreciation charges	**(182)**	**(2,051)**	**-**	**(2,233)**
Additions to non-current assets	**-**	**798,219**	**-**	**798,219**
Reportable segment assets	**10,906,606**	**24,785,578**	**770,277**	**36,462,461**
Reportable segment liabilities	**2,906,196**	**3,667,097**	**-**	**6,573,293**

2010	UK 3 months ended 31 March 2010 £	Brazil 3 months ended 31 March 2010 £	Peru 3 months ended 31 March 2010 £	Total 3 months ended 31 March 2010 £
Administrative expenses	**(167,913)**	**(97,148)**	**(14,319)**	**(279,380)**
Gain on foreign exchange	**7,011**	**-**	**-**	**7,011**
Acquisition costs expensed	**(115,000)**	**-**	**-**	**(115,000)**
Loss from operations per reportable segment	**(275,902)**	**(97,148)**	**(14,319)**	**(387,369)**
Inter segment revenues	**-**	**28,335**	**11,944**	**40,279**
Depreciation charges	**(214)**	**(1,567)**	**-**	**(1,781)**
Additions to non-current assets	**-**	**125,887**	**-**	**125,887**
Reportable segment assets	**877,544**	**1,919,959**	**773,902**	**3,571,405**
Reportable segment liabilities	**228,717**	**238,647**	**-**	**467,364**

A reconciliation of adjusted loss from operations per reportable segment to profit/(loss) before tax is provided as follows:

	3 months ended 31 March 2011 **£**	3 months ended 31 March 2010 £
Loss from operations per reportable segment	**(187,492)**	(387,369)
– Finance income	**42,782**	905
– Finance costs	**(45,648)**	-
Loss for the period from continuing operations	**(190,358)**	(386,464)

5 Intangible assets

Intangible assets comprise exploration and evaluation costs and goodwill. Exploration and evaluation costs comprise acquired and internally generated and acquired assets. Additions are net of amounts payable by the Group's strategic partners under various joint venture agreements, amounting to £ 159,846.

Group	Goodwill £	Exploration and evaluation costs £	Total £
Cost			
At 1 January 2011	435,751	16,482,451	16,918,202
Additions	-	701,703	701,703

Exchange rate movements	-	(213,561)	(213,561)
Net book amount at 31 March 2011	435,751	16,970,593	17,406,344

Impairment charges are included in the statement of comprehensive income.

6 Property, plant and equipment

	Vehicles and other field equipment £	Office Equipment £	Total £
Cost			
At 1 January 2011	**195,560**	**5,783**	**201,343**
Additions	96,515	-	96,515
At 31 March 2011	**292,075**	**5,783**	**297,858**
Accumulated depreciation			
At 1 January 2011	**30,147**	**2,973**	**33,120**
Charge for the period	18,382	478	18,860
At 31 March 2011	**48,529**	**3,451**	**51,980**
Net book amount as at 1 January 2011	**165,413**	**2,810**	**168,223**
Net book amount as at 31 March 2011	**243,546**	**2,332**	**245,878**

Depreciation expense of £16,627 for the quarter ended 31 March 2011 has been capitalised as part of intangible exploration asset additions The remaining depreciation expense for the period of £2,233 has been charged to administrative expenses.

At 31 March 2011 the net book value of assets used in exploration activities is £201,944. These assets are included within vehicles and other field equipment.

7 Share Capital

Issued and fully paid	Number of shares	Ordinary shares £	Share premium £	Total £
At 1 January 2011	**246,560,480**	**2,465,605**	**11,283,355**	**13,748,960**
Issue of ordinary shares	32,999,500	329,995	7,919,880	8,249,875
Issue costs	-	-	(430,438)	(430,438)
At 31 March 2011	**279,559,980**	**2,795,600**	**18,772,797**	**21,568,397**

8 Dividends

No dividend has been declared or paid by the Company during the three months ended 31 March 2011 (2010: nil).

9 Loss per share

The calculation of the basic loss per share of 0.072 pence (31 March 2010 loss per share: 0.655 pence) is based on the loss attributable to the equity holders of the Company of £190,358 for the three month period ended 31 March 2011 (31 March 2010: £386,464) divided by the weighted average number of shares in issue during the period of 264,526,874 (31 March 2010: 59,019,096).

The basic and diluted loss per share is the same, as the effect of the exercise of share options would be to decrease the loss per share.

Details of share options that could potentially dilute earnings per share in future periods are disclosed in the notes to the Group’s Annual Report and Financial Statements for the year ended 31 December 2010.

10 Ultimate controlling party

The Directors believe there to be no ultimate controlling party.

11 Related party transactions

The nature of related party transactions of the Group has not changed from those described in the Group's Annual Report and Financial Statements for the year ended 31 December 2010.

12 Events after the reporting period

(A) Appointment of a director

On 7 June 2011 the Company appointed William Fisher to the Board as a non-executive director of the Company.

(B) Listing on the Toronto Stock Exchange

On 16 June 2011 the Company's ordinary shares were approved for listing on the Toronto Stock Exchange ("TSX"). The shares commenced trading on TSX on 17 June 2011. The additional listing did not result in the issuance of any new ordinary shares in the Company or changes to the Company's equity structure.

13 Approval of interim financial statements

The Condensed interim financial statements were approved by the Board of Directors on 27 June 2011.

Independent Review Report to Horizonte Minerals Plc

Introduction

We have been engaged by Horizonte Minerals Plc to review the condensed set of interim financial statements in the quarterly financial report for the three months ended 31 March 2011 which comprise the condensed consolidated statement of comprehensive income, condensed consolidated statement of financial position, consolidated statement of changes in equity, condensed consolidated cash flow statement and related notes.

Directors' Responsibilities

The quarterly 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 IAS 34 and the requirements of the Canadian Securities Administrators National Instrument 51-102 ("NI 51-102").

The annual Financial Statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of Financial Statements included in this quarterly financial report has been prepared in accordance with the requirements of International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union and the requirements of NI 51-102.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of Financial Statements in the quarterly 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 requirements of NI 51-102 and for no other purpose. 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 quarterly financial report for the three months ended 31 March 2011 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the requirements of NI 51-102.

Littlejohn LLP
Chartered Accountants and Registered Auditors
1 Westferry Circus
Canary Wharf
London
E14 4HD

27 June 2011

****ENDS****