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5 May 2011

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Dear Shareholder

Non-Renounceable Pro-Rata Entitlement Option Issue

New Horizon Minerals Ltd (**Company**) has announced to ASX Limited (**ASX**) a pro rata non-renounceable entitlement issue of one (1) new Option for every one (1) Share held by Shareholders at an issue price of \$0.01 per Option to raise approximately \$205,000 (before payment of associated costs) (**Offer**).

The entitlement issue will result in the issue of approximately 20,500,000 Options in the Company.

The Offer is not underwritten.

The Prospectus relating to this issue has been lodged with the Australian Securities and Investments Commission and ASX and is available on the ASX website at www.asx.com.au. The timetable and important dates of the issue are set out below:

Lodgement of Prospectus with ASIC and provision of copies to ASX	3 May 2011
Company sends letter to Shareholders containing information required by Appendix 3B	5 May 2011
Existing Shares quoted on an "ex" basis	6 May 2011
Record date	12 May 2011
Prospectus and Entitlement and Acceptance Form despatched to Eligible Shareholders	16 May 2011
Closing Date	30 May 2011
Options quoted on a deferred basis	31 May 2011
Anticipated date for allotment of Options and despatch of holder statements	7 June 2011

The funds raised pursuant to the Offer to raise \$205,000 will be used for working capital.

The capital structure of the Company on completion of the Offer:

	Number of Shares	Number of Options
Balance at the date of the Prospectus	20,500,000	-
To be issued pursuant to the Offer	-	20,500,000
Balance after completion of the Offer	20,500,000	20,500,000

In calculating entitlements under the entitlement issue fractions will be rounded up to the nearest whole number.

The offer under the Prospectus is made to Shareholders with registered addresses in Australia. Overseas shareholders should contact the Company Secretary with any queries.

Full detail of the issue will be contained in the Prospectus that will be mailed to all shareholders who are registered on the record date. Shareholders eligible to participate should read the Prospectus carefully.

Yours faithfully

Gary Steinepreis
Director