NEW HORIZON MINERALS LIMITED

ABN 61 143 932 110

Interim Financial Report

31 December 2010

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These interim financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, these interim financial statements are to be read in conjunction with any public announcements made by the Company during the period from the date of incorporation on 4 June 2010 to the date of this report in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Corporate Directory

Directors	Gary Steinepreis Executive Chairman Robert Hodby Non-Executive Patrick Burke Non-Executive
Company Secretary	Gary Steinepreis
Registered Office	Level 1, 33 Ord Street West Perth Western Australia 6005 Telephone: 08 94209300 Facsimile: 08 94812690
Share Register	Computershare Investor Services Pty Ltd Reserve Bank Building Level 2 45 St George's Terrace Perth WA 6000 Investor enquiries: 1300 557 010 Telephone: 08 9323 2000 Facsimile: 08 9323 2033
Auditor	BDO Audit (WA) Pty Ltd 38 Station Street Subiaco WA 6008 Telephone: 08 6382 4600 Facsimile: 08 6382 4601
Stock Exchange Listing	New Horizon Minerals Limited shares are listed on the Australian Securities Exchange (ASX), home branch, Perth. Code: NHO
Website	www.newhorizonminerals.com.au

DIRECTORS' REPORT

Your directors present their first interim financial report on New Horizon Minerals Limited (New Horizon Minerals or the Company) for the period from the date of incorporation on 4 June 2010 to 31 December 2010.

Directors

The name of each person who has been a director during the interim reporting period and to the date of this report are:

Gary Christian Steinepreis appointed 4 June 2010

Robert Wellesley Hodby appointed 4 June 2010

Patrick Nicolas Burke appointed 4 June 2010

Company Secretary

The company secretary is Gary Steinepreis who was appointed 4 June 2010.

Principal Activities

The principal continuing activity of the Company is mineral exploration.

The Company plans to review, evaluate and develop the Mount Drysdale gold and base metal tenements and the Hora Bore base metal tenements and, as part of the working capital budget, pursue new projects in the minerals sector by way of acquisition or investment.

Review of Operations

New Horizon Minerals was incorporated on 4 June 2010 and completed an initial public offering and admission to the official list of the ASX on 15 October 2010. The Company's securities were officially quoted on the ASX on 20 October 2010.

On 29 July 2010 the Company entered into an Acquisition of Interest in Tenements and Farm-in Agreement with Drysdale Resources Pty Ltd, pursuant to which it acquired a 20% interest in the Mount Drysdale gold and base metal project and a 20% interest in the Hora Bore base metal project, with farm-in rights to earn an 80% interest in the projects by expending $1,000,000 over 3 years.

The Mount Drysdale Gold and Base Metal Project comprises approximately 200 square kilometres of pastoral leases and is located in the Cobar mining province of New South Wales. The licence covers an area that is prospective for Cobar Style gold and base metal deposits. Cobar is a historically significant but under explored mining region that is characterised by high grade and long life mines. The area has excellent infrastructure including power, road network, rail transportation and skilled work force.

The Hora Bore Base Metal Project comprises approximately 60 square kilometres and is located in the Thomson Fold Belt, which is the interpreted covered northern extension of the Siluro-Devonian Cobar Basin, 130km South West of Bourke and centred on a magnetic anomaly. The licence is considered prospective for large tonnage base and precious metal deposits. Host rocks within the Thomson Fold Belt are believed to be of similar style and age to those hosting the world-class Cobar deposits to the South.

Operating Result

This interim report is the Company's first. The loss from continuing operations from the date of incorporation on 4 June 2010 to the 31 December 2010 after providing for income tax was $28,770. Additional information on the operations and financial position of the Company and its business strategies and prospects is set out in this directors' report and the interim financial report.

After Balance Date Events

Other than as disclosed, there has been no matter or circumstance that has arisen that has significantly affected, or may significantly affect:

1. the Company's operations in future financial years, or
2. the results of those operations in future financial years, or
3. the Company's state of affairs in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4 of this interim report.

COMPARATIVE FINANCIAL INFORMATION

There is no comparative financial information as this is the Company's first interim financial report since its incorporation on 4 June 2010.

Signed in accordance with a resolution of the board of directors

Gary Steinepreis
Director
25 January 2011

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38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

25 January 2011

The Directors
New Horizon Minerals Ltd
33 Ord Street,
West Perth WA 6005

Dear Sirs

DECLARATION OF INDEPENDENCE BY PETER TOLL TO THE DIRECTORS OF NEW HORIZON MINERALS LIMITED

As lead auditor for the review of New Horizon Minerals Limited for the half-year ended 31 December 2010, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of New Horizon Minerals Limited during the year.

Peter Toll
Director

BDO Audit (WA) Pty Ltd
Perth, Western Australia

	Note	2010 $
Revenue from continuing operations	3	33,757
Expenses from continuing operations	4	(62,527)
Loss before income tax		**(28,770)**
Income tax expense		-
Loss after tax from continuing operations		**(28,770)**
Other comprehensive income		-
Total comprehensive loss for the period attributable to the members of New Horizon Minerals Limited		**(28,770)**
		Cents
Loss per share for loss from continuing operations attributable to the ordinary equity holders of the Company:		
Basic loss per share		(0.21)
Diluted loss per share		(0.21)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

ASSETS	**Note**	**31 Dec 2010 $**
Current assets		
Cash and cash equivalents		2,197,322
Trade and other receivables		32,465
Total current assets		**2,229,787**
Non current assets		
Other assets		10,000
Total non-current assets		**10,000**
Total assets		**2,239,787**
LIABILITIES		
Current liabilities		
Trade and other payables		14,905
Total current liabilities		**14,905**
Total liabilities		**14,905**
NET ASSETS		**2,224,882**
EQUITY		
Contributed equity	5	2,253,652
Accumulated losses		(28,770)
TOTAL EQUITY		**2,224,882**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

New Horizon Minerals Limited
Statement of Changes in Equity
From the date of incorporation on 4 June 2010
to 31 December 2010

2010	**Contributed equity $**	**Accumulated losses $**	**Total $**
Balance 4 June 2010	-	-	-
Loss for the period	-	(28,770)	**(28,770)**
Total comprehensive loss for the half year	-	(28,770)	**(28,770)**
Transactions with owners in their capacity as owners			
Shares issued	2,456,000	-	**2,456,000**
Transaction costs	(202,348)	-	**(202,348)**
Balance 31 December 2010	**2,253,652**	**(28,770)**	**2,224,882**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

	2010 **$**
Cash flow from operating activities	
Interest received	15,840
BAS refund	11
Payments to suppliers and employees	(62,181)
Net cash outflow from continuing operations	**(46,330)**
Cash flows from investing activities	
Payments for interests in mining leases	(10,000)
Net cash outflow from investing activities	**(10,000)**
Cash flows from financing activities	
Proceeds from the issue of shares	2,456,000
Costs associated with capital raising	(202,348)
Net cash inflow from financing activities	**2,253,652**
Net increase in cash and cash equivalents	**2,197,322**
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	**2,197,322**

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

1 Summary of significant accounting policies

This interim financial report includes the financial statements and notes of New Horizon Minerals Limited a public limited entity.

Material accounting policies adopted in the preparation of the financial statements are presented below. They have been consistently applied unless otherwise stated. The financial statements have been prepared on an accruals basis and are based on historical costs.

(a) Basis of preparation

These general purpose interim financial statements have been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001. They do not include all of the information required for full annual financial statements and should be read in conjunction with any public announcements made by the Company during the period from the date of incorporation on 4 June 2010 to the date of this report in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

(b) Comparative Financial Information

There is no comparative financial information as these are the Company's first interim financial statements since its incorporation on 4 June 2010.

(c) Going Concern Basis of Accounting

The general purpose financial statements have been prepared on the basis of a going concern. The Directors' are of the opinion that the Company has sufficient funds to meet its commitments as and when they fall due for at least a period of twelve months from the date of this report.

(d) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties. Interest income is recognised on a time proportion basis using the effective interest method.

(e) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction.

The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability.

No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

1 Summary of significant accounting policies (continued)

(e) Income Tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(f) Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

(g) Cash and Cash Equivalents

For statement of cash flow presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(h) Trade and Other Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Trade receivables are due for settlement within 30 days from the date of recognition. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

An allowance account for doubtful receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the statement of comprehensive income. When a trade receivable for which an impairment allowance has been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(i) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the period which are unpaid. They are recognised initially at fair value and subsequently at amortised cost. The amounts are unsecured and are usually paid within 30 days of recognition.

1 Summary of significant accounting policies (continued)

(j) Contributed Equity

Ordinary shares are classified as equity. Costs associated with capital raisings (exclusive of GST) directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds. If the entity reacquires its own equity instruments, eg as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable costs associated with capital raisings (net of income taxes) is recognised directly in equity.

(k) Earnings Per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit / (loss) attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(l) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated exclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(m) Exploration and Development Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal

1 Summary of significant accounting policies (continued)

(m) Exploration and Development Expenditure (continued)

and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on a discounted basis. Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(n) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, are measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year are measured at the present value of the estimated future cash outflows to be made for those benefits.

(o) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in profit and loss.

(p) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(q) Jointly Controlled Interest

The proportionate interest in the assets, liabilities and expenses of any joint interest activity have been incorporated in the interim financial statements under the appropriate headings.

1 Summary of significant accounting policies (continued)

(r) Accounting Estimates and Judgements

In the process of applying the accounting policies, management makes certain judgements or estimations which have an effect on the amounts recognised in the financial statements.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimate and assumptions that may have a significant risk causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period is:

Capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the company decides to exploit the related lease itself, or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

2 Segment Information

Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions. The entity does not have any operating segments with discrete financial information. The Company does not have any customers, and all the Company's assets and liabilities are located within Australia.

The Board of Directors review internal management reports on a monthly basis that is consistent with the information provided in the statement of comprehensive income, statement of financial position and statement of cash flows. As a result no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

3 Revenue from continuing operations

	Dec 2010
	$
Interest received	33,757
	33,757

4 Expenses from continuing operations

	Dec 2010
	$
Administration expenses	(6,322)
Corporate compliance costs	(7,368)
Corporate management fees	(9,000)
Audit and non audit service fees	(9,000)
Occupancy costs	(30,237)
Exploration expenditure	(600)
Total expenses	**(62,527)**

5 Contributed Equity

(a) Share Capital	31 Dec 2010 Shares	31 Dec 2010 $
Ordinary shares fully paid		
	20,500,000	**2,253,652**

(b) Issued Securities	Shares	Escrowed to date
Quoted securities	12,254,625	
Restricted securities	6,050,000	20/10/2012
Restricted securities	1,270,375	04/06/2011
Restricted securities	925,000	30/06/2011
	20,500,000	

(c) Movement in Ordinary Share Capital

Date	Details	Number of shares	Issue price	Amount $
04/06/2010	Opening balance	-		-
04/06/2010	Issue of shares	6,000,000	$0.001	6,000
30/06/2010	Issue of shares	4,500,000	$0.100	450,000
13/10/2010	Issue of shares	10,000,000	$0.200	2,000,000
	Cost of share issue	-		(202,348)
31/12/2010	**Balance**	**20,500,000**		**2,253,652**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

6 Related Party Transactions

i) Pat Burke was appointed a director of the Company on 4 June 2010. Mr Burke provides his services on a month to month basis and is paid fees for service in the amount of $1,000 per month. Mr Burke commenced charging for his services on 1 October 2010 and charged a total of $3,000 for the period ended on 31 December 2010.

ii) Gary Steinepreis was appointed a director of the Company on 4 June 2010. Mr Steinepreis is a director and potential beneficiary of Leisurewest Consulting Pty Ltd as trustee for the Leisurewest Trust (Leisurewest). Leisurewest provides the services of Gary Steinepreis on a month to month basis and is paid fees for service in the amount of $1,000 per month. Leisurewest commenced charging for the provision of services by Mr Steinepreis on 1 October 2010 and charged a total of $3,000 for the period ended on 31 December 2010.

iii) Robert Hodby was appointed a director of the Company on 4 June 2010. Mr Hodby provides his services on a month to month basis at a cost of $1,000 per month, he commenced charging for his services on 1 October 2010 and was paid fees in the amount of $3,000 for the period ended on 31 December 2010.

6 Related Party Transactions (continued)

iv) Ascent Capital Holdings Pty Ltd (Ascent Capital) is a company owned 50% by interests associated with Gary Steinepreis. Ascent Capital was paid fees for the period ended 31 December 2010 as follows:

- For the work undertaken in the management of the IPO $20,000; and
- For the provision of office accommodation including all outgoings $30,237.

7 Events Occurring After Balance Date

Other than as disclosed in these Interim Financial Statements, there has been no matter or circumstance that has arisen that has significantly affected, or may significantly affect:

1. the Company’s operations in future financial years, or
2. the results of those operations in future financial years, or
3. the Company’s state of affairs in future financial years.

8 Contingent Liabilities

There are no contingent liabilities for the half year.

9 Commitments

The Company has acquired from Drysdale Resources a 20% interest in EL6751, Mount Drysdale gold and base metal project and a 20% interest in EL6869, Hora Bore base metal project.

The Company is entitled to earn a further 60% (for a total of 80%) interest in each of the tenements by expending $1,000,000 on the tenements on or before 29 July 2013.

The Company is obliged to expend not less than $250,000 on the tenements on or before the second anniversary of admission of the Company’s shares to the official list of the ASX. At any time thereafter the Company may withdraw from the agreement and upon withdrawal the agreement shall terminate. In the event the Company withdraws from the agreement it shall immediately transfer the 20% interest back to Drysdale Resources.

The Directors' of the Company declare that:

1 The interim financial statements and notes as set out on pages 5 to 15 are in accordance with the *Corporations Act 2001*, and

(i) comply with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

(ii) give a true and fair view of the financial position of the Company as at 31 December 2010 and of its performance for the period from incorporation on 4 June 2010 to the period ended on that date.

2 In the opinion of the directors' there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Gary Steinepreis
Director
West Perth
25 January 2011

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Australia

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF NEW HORIZON MINERALS LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of New Horizon Minerals Limited, which comprises the statement of financial position as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a set of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the disclosing entity's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of New Horizon Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report 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 Australian Auditing Standards 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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of New Horizon Minerals Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of New Horizon Minerals Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the disclosing entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

BDO Audit (WA) Pty Ltd

BDO

Peter Toll
Director

Perth, Western Australia
Dated this 25th day of January 2011