

ASX: HRZ

ASX ANNOUNCEMENT

11 MARCH 2020



INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2019

Horizon Minerals Limited (ASX: HRZ) encloses its interim financial report for the half year ended 31 December 2019.

The release of this document to the market has been authorised by the Board.

For further information please contact Bianca Taveira via email bianca.taveira@horizonminerals.com.au or by phone 08 9386 4699



**Report for the
Half-Year Ended
31 December 2019**

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Corporate Particulars

Directors

Peter Bilbe
Jon Price
Ashok Parekh
Jeff Williams

Company Secretary

Bianca Taveira

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Stock Exchange Listing

Australian Stock Exchange
Code: HRZ

HALF YEARLY REPORT DECEMBER 2019

Directors' Report

Your Directors present their report on the consolidated financial statements for the half-year ended 31 December 2019.

Directors

The following persons hold office as Directors of Horizon Minerals Limited at the date of this report or were Directors at a time during the half-year:

- Peter Bilbe
- Jon Price
- Ashok Parekh
- Jeff Williams

Principal Activities

The principal continuing activities of Horizon Minerals Limited ('the Company or Horizon') and its controlled entity ('the Group') during the period consisted of:

- Exploration and evaluation of gold projects across the portfolio
- Grade control drilling at Boorara and planning to bring Boorara stage 1 into production in 2020
- Divestment of Menzies/Goongarrie to Kingwest Resources and asset swap with Northern Star Resources
- Feasibility Study work on advanced development projects

The economic entity made a profit of \$2,470,965 (December 2018: loss \$501,789) for the half year.

Review of Operations

Corporate

Issued Capital

At 31 December 2019, Horizon had 427,975,200 fully paid ordinary shares on issue (December 2018: 235,388,464). No shares or options were issued during the period to 31 December 2019.

Company Investments

At 31 December 2019, Horizon held 7,151,109 fully paid ordinary shares and 595,926 options with an exercise price of 24 cents and an expiry date of 30 June 2021 in Reward Minerals Ltd (ASX: RWD/RWDOA) valued at approximately \$980,000.

During the period ended 31 December 2019, the Company received 20,000,000 shares in Kingwest Resources Limited (ASX code: KWR) as part consideration from the sale of its Menzies and Goongarrie Gold projects. The Company holds these shares at 31 December 2019, valued at \$3,400,000.

During the period, the Company received formal notification from Focus Minerals Limited ("Focus") under the Exclusivity Deed that Focus is unlikely to obtain the required internal, board and regulatory approvals necessary for it to proceed with the proposed sale of the Coolgardie gold project before the expiry of the Exclusivity Period on 17 December 2019.

Horizon did not contemplate any further extension of the Exclusivity Period and the Exclusivity Deed has been terminated and the Exclusivity Deposit returned.

At 31 December 2019, the Company had cash on hand of approximately \$3.5M.

Directors' Report

Exploration and Development Activities

During the half year the Company made progress on a number of fronts. Key developments were as follows:

Mine Development

An 18,000m grade control infill drilling program was completed at Boorara during the Period enabling the compilation of an updated geological model for the first 50m of the resource. Mine optimisation, evaluation and design will then be completed with the aim of mining two to three starter pits in 2020 utilising contract mining and third party toll milling.

Statutory approvals, discussions with contractors and third party milling operators are well advanced with operational readiness work on track for mine commencement in the June Quarter 2020 and first production in the September Quarter 2020.

In addition, mine evaluation work continues at Binduli, Rose Hill and Teal as part of the Feasibility Study due for completion in the December Quarter 2020.

Exploration

Exploration activities continued during the period across the Company's 100% owned tenure in the Goldfields of Western Australia. The Company completed 5,800m of regional Reverse Circulation (RC) drilling at prospects including Binduli, Windanya, Black Flag and Baden Powell with encouraging results.

For details on the drilling programs, we refer you to the announcements released on the ASX and on the Company's website (www.horizonminerals.com.au).

Results from the drilling were compiled and a resource update announced for the Crake gold project during the period. Further resource updates are expected in the June Quarter 2020.

Menzies Gold Project

During the period, the Company divested its 100% interest in the Menzies and Goongarrie gold projects to Kingwest Resources Limited (ASX: KWR) ("Kingwest") for a total consideration of A\$8 million. The Company received 20 million ordinary shares in Kingwest and \$1.75 million in cash on completion. A further 10 million shares and \$1.625 million in cash is payable by Kingwest 18 months following settlement.

Nanadie Well Copper – Gold Project Joint Venture

As announced to the ASX on 18 November 2019, Horizon received a notice of withdrawal from Minex (West) Pty Ltd, a 100% subsidiary of Mithril Resources (ASX: MTH) with the project now returned to Horizon on a 100% basis.

The Company now intends to complete a detailed geological review of the project ahead of field reconnaissance work and an RC drilling program to test a number of walk up targets and to ensure the project tenure remains in good standing.

Northern Star asset swap

As announced to the ASX on 12 September 2019, the Company reached agreement with Northern Star Resources Limited ("Northern Star") to an exchange of tenements in the WA goldfields for nil cash consideration. The transaction saw Horizon divest its 100% interest in the Anthill, Blister Dam, New Mexico, White Flag and Kanowna North tenements and acquire 100% interest in Northern Star's Rosehill, Brilliant North and Gunga West projects in Coolgardie and the Golden Ridge, Balagundi, Abattoir and Mt Monger projects in Kalgoorlie.

Directors' Report

Exploration and Development Activities (continued)

Richmond Vanadium Project

In December 2016, Intermin executed a binding Heads of Agreement (“HoA”) with Richmond Vanadium Technology Pty Ltd (“RVT”) to form a strategic joint venture (“AXF JV”) covering Intermin’s Richmond Vanadium project in Queensland (refer ASX announcement dated 13 December 2016).

During the period, RVT completed the initial regional and infill drilling program with 333 holes drilled for a total of 7,780m. Most holes were drilled deeper than planned at Lilyvale due to thicker than expected zone of mineralisation with all holes immediately rehabilitated. Over 7,800 samples have now been submitted for assay with all results expected in the March Quarter. On receipt and validation of all drilling data, an updated resource model will be compiled with this expected early in the June Quarter 2020.

Metallurgical testwork continues at the Hunan Institute of Nonferrous Metals in China. With the success of the pre-concentration and downstream test work, work will now advance to simulated production tests. These tests are to be conducted with semi-industrial scale samples through the entire process pathway from samples to final product. An additional 3-4t of new samples will be collected from Richmond and airfreighted to China. Results from these advanced tests are expected early in the June Quarter 2020.

Auditor’s Independence Declaration

In accordance with section 307C of the Corporations Act 2001, the Directors have obtained a declaration of independence from Rothsay Auditing, the consolidated entity’s auditors, as presented on page 6 of this half-year’s financial report.

This report is signed in accordance with a resolution of directors made pursuant to S306(3) of the Corporations Act 2001, and on behalf of the Board by:

MR JON PRICE
DIRECTOR

11 March 2020

HALF YEARLY REPORT DECEMBER 2019

Directors' Declaration

The Directors of the Company declare that:

- 1) The financial statements and notes, as set out within this financial report:
 - (a) comply with the Accounting Standard AASB 134: Interim Financial Reporting, the *Corporations Act 2001*; and other mandatory professional reporting requirements.
 - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date.
- 2) In the Directors' opinion there are reasonable grounds to believe that Horizon Minerals Limited 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 Directors.

MR JON PRICE
DIRECTOR

11 March 2020

Auditor's Independence Declaration



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Phone (08) 9486 7094 www.rothsayresources.com.au

The Directors
Horizon Minerals Ltd
PO Box 1104
Nedlands WA 6909

Dear Directors

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

- i) no contraventions of the auditor independence requirements of the Act in relation to the audit review of the 31 December 2019 interim financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Graham R Swan FCA (Lead auditor)

Rothsay Auditing

Dated 11 March 2020



Liability limited by a scheme approved under Professional Standards Legislation

Independent Auditor's Review Report



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Independent Review Report to the Members of Horizon Minerals Limited

The financial report and directors' responsibility

The interim consolidated financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for Horizon Minerals Limited for the half-year ended 31 December 2019.

The Company's directors are responsible for the preparation and fair presentation of the consolidated financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim 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 interim consolidated financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated financial position as at 31 December 2019 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of 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 an interim 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*.

Conclusion

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

- giving a true and fair view of the consolidated financial position as at 31 December 2019 and of the performance for the half-year ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Rothsay Auditing



Graham R Swan FCA
Partner

Dated 11 March 2020



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Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Consolidated	
		December 2019 \$	December 2018 \$
Continuing Operations			
Gold royalty		435	187,114
Interest income		35,464	10,800
Other income	2(a)	2,724,500	2,699,690
Net change in fair value on financial assets at fair value through profit or loss	2(c)	771,857	-
Total revenue from continuing operations		3,532,256	2,897,604
Cost of sales	2(b)	-	(1,716,763)
Depreciation expenses	2(b)	(67,711)	(9,445)
Exploration and evaluation expenditure	2(b)	-	(31,654)
Net change in fair value on financial assets at fair value through profit or loss	2(c)	-	(500,577)
Employee benefits expense		(246,001)	(260,174)
Share based payments	8	(22,244)	(137,812)
Building and occupancy costs		(64,999)	(30,435)
Consultancy and professional fees		(372,194)	(512,105)
Other expenses		(288,142)	(200,428)
Profit/ (Loss) from continuing operations before income tax		2,470,965	(501,789)
Income tax (expense)/benefit		-	-
Profit/ (Loss) for the period		2,470,965	(501,789)
Other comprehensive income for the period			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the period		-	-
Profit/ (Loss) for the period and total comprehensive income attributable to owners of Horizon Minerals Limited		2,470,965	(501,789)
Basic earnings/ (loss) per share		0.58 cents	(0.25) cents
Diluted earnings/ (loss) per share		0.58 cents	(0.25) cents

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position as at 31 December 2019

	Note	Consolidated	
		December 2019 \$	June 2019 \$
Current Assets			
Cash and cash equivalents		3,496,598	4,951,288
Trade and other receivables		540,846	557,218
Total Current Assets		4,037,444	5,508,506
Non-Current Assets			
Financial assets at fair value through profit or loss	3	4,377,318	605,461
Other financial assets		257,927	257,927
Property, plant and equipment		2,632,089	2,694,350
Exploration, evaluation and development expenditure	4	34,455,482	37,210,890
Other receivables	5	3,250,000	-
Total Non-Current Assets		44,972,816	40,768,628
Total Assets		49,010,260	46,277,134
Current Liabilities			
Trade and other payables		1,289,613	990,214
Total Current Liabilities		1,289,613	990,214
Non-Current Liabilities			
Provisions		2,197,942	2,257,424
Total Non-Current Liabilities		2,197,942	2,257,424
Total Liabilities		3,487,555	3,247,638
Net Assets		45,522,705	43,029,496
Equity			
Contributed equity	6(a)	49,746,534	49,746,534
Reserves		1,188,650	1,166,406
Accumulated losses		(5,412,479)	(7,883,444)
Total Equity		45,522,705	43,029,496

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

Consolidated Statement of Changes in Equity

	Contributed Equity \$	Asset Revaluation Reserve \$	Share Based Payment Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2019	49,746,534	144,976	1,021,430	(7,883,444)	43,029,496
Comprehensive income for the half-year					
Profit/ (Loss) for the half-year	-	-	-	2,470,965	2,470,965
Total comprehensive income for the half-year	-	-	-	2,470,965	2,470,965
Transactions with owners in their capacity as owners:					
Issue of performance rights as remuneration	-	-	22,244	-	22,244
Balance at 31 December 2019	<u>49,746,534</u>	<u>144,976</u>	<u>1,043,674</u>	<u>(5,412,479)</u>	<u>45,522,705</u>
Balance at 1 July 2018	27,523,594	144,976	748,053	(4,748,549)	23,668,074
Comprehensive income for the half-year					
Profit/ (Loss) for the half-year	-	-	-	(501,789)	(501,789)
Total comprehensive income for the half-year	-	-	-	(501,789)	(501,789)
Transactions with owners in their capacity as owners:					
Issue of shares and options during the period	1,077,128	-	-	-	1,077,128
Issue of performance rights as remuneration	-	-	137,812	-	137,812
Share issue costs	(3,532)	-	-	-	(3,532)
Balance at 31 December 2018	<u>28,597,190</u>	<u>144,976</u>	<u>885,865</u>	<u>(5,250,338)</u>	<u>24,377,693</u>

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

Consolidated Statement of Cash Flows

	Consolidated	
	December 2019 \$	December 2018 \$
Cash flows from Operating Activities		
Receipts from customers	454,517	384,311
Payments to suppliers and employees	(1,380,867)	(4,908,644)
Interest received	36,723	11,002
	(889,627)	(4,513,331)
Cash flows from Investing Activities		
Payments for property, plant and equipment	(5,450)	(2,271)
Payments for purchase of investments	-	(214,533)
Proceeds from sale of tenement interest	1,750,000	2,500,000
Capitalised exploration and evaluation expenditure	(2,309,613)	(2,856,291)
	(565,063)	(573,095)
Cash flows from Financing Activities		
Proceeds from issues of ordinary shares	-	1,077,128
Share issue costs	-	(3,532)
	-	1,073,596
Net decrease in cash and cash equivalents	(1,454,690)	(4,012,830)
Cash and cash equivalents at the beginning of the half-year	4,951,288	10,297,176
Cash and cash equivalents at the end of the half-year	3,496,598	6,284,346

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

Notes to the Financial Statements

1 Basis of Preparation

The half-year financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 *Interim Financial Reporting* and other mandatory professional reporting requirements. The interim financial statements were approved by the Board of Directors on 10 March 2020. The accounting policies applied by the Group in this interim financial report are the same as those applied by the Group in its financial report for the year ended 30 June 2019.

It is also recommended that the half-year financial report be considered together with any public announcements made by Horizon during the half-year ended 31 December 2019 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

New accounting standards and interpretations

In the half-year ended 31 December 2019, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2019.

As a result of this review, the Group has adopted AASB16 Leases from 1 July 2019.

AASB 16 replaces the existing guidance in AASB 117 Leases. For lessees, all leases other than short term leases and low value leases will be recognised on the balance sheet. The new standard is effective for annual reporting periods commencing on or after 1 January 2019. The standard will see all leases, held by a lessee, record obligations as a liability and a corresponding right of use asset, both current and non-current, for the term of the lease.

Due to the transition methods chosen by the Group in applying AASB 16, comparative information throughout the interim financial statements has not been restated to reflect the requirements of the new standards. Below is the Group's application of AASB 16 on its leases:

Lease	Impact on the Group's Financial Position or Performance
Office space Horizon Minerals Limited	At 1 July 2019, lease term is < 12 months therefore eligible for short term exemption, no impact.
Office space MacPhersons Resources Limited	At 1 July 2019, lease term is on a month by month basis, therefore eligible for short term exemption, no impact.
Office equipment/photocopiers	Lease agreement is > 12 months however equipment is determined to be a low value asset, therefore exempt and no impact.

It has been determined that there is no material impact of the new and revised Standards and Interpretations on the financial position or performance of the Group.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2019. The impact on the financial statements is not expected to be material.

Notes to the Financial Statements

	December 2019 \$	December 2018 \$
2 Profit/(Loss) for the Half Year		
The following income and expense items are relevant in explaining the financial performance for the interim period:		
(a) Other Income:		
Recovery of administration costs	61,403	60,084
Profit on sale of tenement interest	2,634,597	2,429,858
Diesel fuel rebate	4,168	69,513
Other income	24,332	140,235
	2,724,500	2,699,690
(b) Expenses		
Cost of sales		
Mining & processing costs	-	(1,716,763)
Cost of sales	-	(1,716,763)
Depreciation	(67,711)	(9,445)
Exploration and evaluation expenditure	-	(31,654)
(c) Significant Items:		
Net change in fair value of financial assets at fair value through profit or loss		
Increase/ (decrease) in net market value of shares and options in listed companies	771,857	(500,577)
	December 2019 \$	June 2019 \$
3 Financial Assets at Fair Value Through Profit or Loss		
Shares and options in listed companies at market value	4,377,318	605,461
Movements during half year ended 31 December 2019		
Opening balance	605,461	
Shares acquired as consideration for sale of mining tenements	3,000,000	
Net change in fair value	771,857	
Closing balance	4,377,318	

Notes to the Financial Statements

		December 2019 \$
4	Exploration, Evaluation and Development Expenditure	
	During the half year ended 31 December 2019, the Group incurred and capitalised the following exploration, evaluation and development expenditure:	
	Exploration and evaluation phase	
	Carrying amount at beginning of period	35,375,688
	Capitalised during the year	2,496,518
	Tenements acquired under Scheme of Arrangement	-
	Sale of tenements (refer Note 5)	(5,365,403)
	Carrying amount at end of period	32,506,803
	Mine properties	
	Carrying amount at beginning of the year	1,835,202
	Capitalised during the year	113,477
	Carrying amount at end of period	1,948,679
	Total exploration and mine properties	34,455,482

The ultimate recoupment of these costs is dependent on successful development and commercial exploration, or alternatively, the sale of the respective areas.

		December 2019 \$	June 2019 \$
5	Other Receivables		
	Receivable – sale of tenement – deferred payment	3,250,000	-

During the period to 31 December 2019, the Company divested 100% of its interest in the Menzies and Goongarrie gold projects to Kingwest Resources Limited (ASX: KWR). As per the ASX announcement on 9 July 2019, total consideration for the projects were \$8M.

The Company received an initial deposit of \$750,000 and on settlement, a further \$1M in cash and an issue of 20M ordinary shares in Kingwest, valued at \$3M (refer to Note 3).

A deferred payment of \$3.25M is to be received no later than 18 months after settlement being a further \$1.625M in cash and \$1.625M in ordinary shares in Kingwest at a deemed issue price being the lower of \$0.15 per share and the 30 day VWAP (subject to shareholder approval and Horizon not exceeding 19.9% ownership in Kingwest).

Notes to the Financial Statements

6 Contributed Equity

	December 2019 No.	June 2019 No.	December 2019 \$	June 2019 \$
(a) Share capital				
Opening Balance	427,975,200	227,192,119	49,746,534	27,523,594
Shares issued under Scheme of Arrangement	-	192,586,736	-	21,184,541
Options exercised during the period	-	8,196,345	-	1,077,129
Capital raising costs	-	-	-	(38,730)
Total Contributed Equity	427,975,200	427,975,200	49,746,534	49,746,534

	Unlisted Options No.	Unlisted Options No.	Unlisted Options No.	Total No.
(b) Options				
Exercise Price	\$0.25	\$0.2912	\$0.6988	
Expiry date	31 Aug 2019	9 Dec 2019	28 Feb 2020	
Balance at 1 July 2019	500,000	2,743,184	219,456	3,462,640
Expired during the period	(500,000)	(2,743,184)	-	(3,243,184)
Exercised during the period	-	-	-	-
Balance at 31 December 2019	-	-	219,456	219,456
Balance at 1 July 2018	-	-	-	-
Issued under Scheme of Arrangement	-	2,743,184	219,456	2,962,640
Issued during the year	500,000	-	-	500,000
Exercised during the year	-	-	-	-
Balance at 30 June 2019	500,000	2,743,184	219,456	3,462,640

(c) Performance Rights

As at 31 December 2019, there were 2,400,000 performance rights on issue that, if the vesting conditions are met, could result in the issue of 2,400,000 ordinary shares in the Company. Further details are contained in Note 8.

Notes to the Financial Statements

7 Segment Information

Management has determined the operating segments based on the reports reviewed by the board that are used to make strategic decisions.

The board considers that the reportable segments are defined by the nature of the exploration and mining activities. As such there are two reportable segments being Vanadium/Molybdenum tenements and Gold tenements.

	Vanadium/ Molybdenum \$	Gold \$	Total \$
31 December 2019			
Revenue	-	2,635,032	2,635,032
Profit/(loss) before Income tax	-	1,663,644	1,663,644
31 December 2018			
Revenue	-	187,114	187,114
Profit/(loss) before Income tax	-	(12,012)	(12,012)
31 December 2019			
Total Segment Assets	756,367	43,876,575	44,632,942
30 June 2019			
Total Segment Assets	756,367	44,915,306	45,671,673

	December 2019 \$	December 2018 \$
Segment profit/(loss)		
Segment profit/(loss) reconciles to profit/(loss) before income tax as follows:		
Segment profit/(loss) before income tax	1,663,644	(12,012)
Interest revenue	35,464	10,800
Unallocated costs net of other revenue consisting of:		
Net change in fair value on financial assets at fair value through profit and loss	771,857	(500,577)
Profit/(loss) before income tax	2,470,965	(501,789)
Segment assets		
Segment assets reconcile to total assets as follows:		
Unallocated assets consisting of:		
Financial assets through profit and loss	4,377,318	727,030
Total assets	49,010,260	25,207,266

Notes to the Financial Statements

8 Share Based Payments

In November 2017, directors and employees were granted 10,000,000 performance rights.

The performance rights were granted at nil consideration, do not have an exercise price and will lapse if the vesting conditions are not met.

The Performance Rights are issued under the Intermin Resources Employee Incentive Scheme (EIS) approved by shareholders at the General Meeting held of 17 October 2016. The issue to Directors was approved at the Annual General Meeting on 23 November 2017.

Each Performance Right will, at the election of the holder, vest and convert to one fully paid ordinary share, subject to the satisfaction of certain Performance Conditions.

Full details of the various classes of Performance Rights are contained in the 2019 annual report.

As at 1 July 2019, 2,800,000 Class D options were cancelled.

During the half-year ended 31 December 2019, \$22,244 was expensed as a share based payment in respect of Class E options, with the fair value being recognised over the vesting period. As at 31 December 2019, a total of 2,400,000 performance rights remain unvested.

All other options have either been cancelled, exercised or expired prior to 30 June 2019.

9 Contingent Liabilities

- (a) Native title claims have been made with respect to areas which include tenements in which Horizon and the controlled entity have interests. The entities are unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not, and to what extent, the claims may significantly affect them or their projects.
- (b) Security bonds are held with respect to tenements held in Northern Territory. Bonds are set by the Department of Primary Industry and Resources, however there is no certainty that such bonds will be adequate to cover any environmental damage. Horizon and its controlled entities are not able to determine the nature or extent of any further liability in view of changing environmental requirements.
- (c) Horizon has been advised of a potential liability arising as a result of the storage of laboratory waste material at the White Range project site and is currently awaiting approval from the NT Environmental Protection Authority to bury the material at White Range. As at the date of this report, the potential liability for the rectification remains unquantifiable.

10 Subsequent Events

There are no other matters or circumstances that have arisen since 31 December 2019 that have or may significantly affect the operations, results, or state of affairs of the Group in future financial periods.