

ASX: HRZ

ASX ANNOUNCEMENT

2 MARCH 2020



INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2020

Horizon Minerals Limited (ASX: HRZ) encloses its Interim Financial Report for the half year ended 31 December 2020.

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

For further information please contact –

Julian Tambyrajah
Chief Financial Officer &
Joint Company Secretary
julian.tambyrajah@horizonminerals.com.au
Phone +61 8 9386 9534



Interim Financial Report

for the Half-Year ended

31 December 2020

Contents

Corporate Particulars	1
Directors' Report	2
Directors' Declaration	6
Auditor's Independence Declaration	7
Independent Auditor's Review Report.....	8
Consolidated Statement of Profit or Loss and Other Comprehensive Income	10
Consolidated Statement of Financial Position	11
Consolidated Statement of Changes in Equity	12
Consolidated Statement of Cash Flows.....	13
Notes to the Financial Statements	14

Corporate Particulars

Directors

Ashok Parekh
Peter Bilbe
Jon Price

Chief Financial Officer & Joint Company Secretary

Julian Tambyrajah

Joint Company Secretary

Bianca Taveira

Registered Office & Principal Place of Business

163 - 167 Stirling Highway
Nedlands WA 6009
T +61 8 9386 9534
E info@horizonminerals.com.au
W horizonminerals.com.au

Share Registry

Computershare Investor Services Pty Ltd
Level 11, 172 St George's Terrace
Perth WA 6000
T 1300 850 505
W computershare.com/au

Auditors

PKF Perth
Level 5, 35 Havelock Street
WEST PERTH WA 6005

Stock Exchange Listing

Australian Securities Exchange
Code: HRZ

Directors' Report

Your Directors present their report on the consolidated financial statements for the half-year ended 31 December 2020.

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:

- Ashok Parekh
- Peter Bilbe
- Jon Price

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 consolidated entity made an after tax profit of \$2,028,782 (December 2019: profit \$2,470,965) for the half year.

Review of Operations

Corporate

Issued Capital

At 31 December 2020, Horizon had 567,975,200 fully paid ordinary shares on issue (June 2020: 427,975,200). During the period to 31 December 2020, the Group issued 115,000,000 fully paid ordinary shares to raise \$15,009,709, net of share issue costs.

Company Investments

At 31 December 2020, 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 \$1,036,911.

Horizon also holds 20,000,000 in Kingwest Resources Limited (ASX: KWR), valued at \$3,400,000.

During the period ended 31 December 2020, the Company received 2,509,750 shares in Cyprium Metals Limited (ASX: CYM) as part consideration from the sale of Nanadie Well Copper Project. The Company holds these shares at 31 December 2020, valued at \$514,499.

The Company also received 1,520,534 shares in TNT Mines Ltd (ASX: TIN) as consideration from the sale of its Prospecting Licence P24/5116 for \$200,000. The Company holds these shares at 31 December 2020, valued at approximately \$440,955.

Included in the consideration were 1,016,262 free unlisted options in TNT Mines Ltd with an expiry date of 1 October 2024 and an exercise price of \$0.25.

At 31 December 2020, the Company had cash on hand of approximately \$15.7M.

Directors' Report

Exploration and Development Activities

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

Exploration

Exploration activities continued during the period across the Company's 100% owned tenure in the Goldfields of Western Australia. The Company focussed mainly on reserve conversion drilling at Binduli (Crake), Teal (Jacques, Peyes, Teal East) and Rose Hill at Coolgardie. A total of 189 RC holes for 14719m and 12 Diamond Drillholes for 1138.2m were completed. The drilling was mainly infill in nature, with some improvements in the block model grade and definition being observed in areas of low density drilling. Resource updates are due in 2021.

Two advanced stage exploration projects were also drilled to help build the resource towards a mineral estimated resource in 2021. These were at Binduli (Coote) and Baden Powell where a total of 46 RC holes for 3622 meters were completed. The results to date were positive with consistent gold mineralisation being observed.

Greenfields style exploration was also completed at Binduli (Honeyeater, Darter), Teal (Wills Find and Yolande) for a total of 39 RC holes for 3287m. The results were mixed, with both Yolande and Darter failing to return economic mineralisation. At Windanya, a small air core (interrupted) program of 18 holes for 751m was completed. The program resumed in January 2021.

Additional exploration work completed included 2 gravity surveys at Yarmany and Kanowna South. A co-operative effort between the GSWA and UWA also completed 6 additional magneto-telluric (MT), part of a district scale MT survey, at the Nimbus area, east of Kalgoorlie. The survey covers Binduli-Teal, Black Flag and Balagundi-Kanowna South.

Project reviews for Golden Ridge and Gunga West were completed by independent consultants who indicated that both deposits had marginal economics with a pit cutback or extension scenario. Further work was recommended.

Target generation studies were completed for all the prospect areas and POW's lodged.

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).

Mine Development

Mining at the Boorara Gold Mine, 10km east of Kalgoorlie-Boulder in the Western Australian goldfields, commenced in April 2020, with stage 1 mining completed during the half in August 2020, six weeks ahead of schedule. Three trial pits were completed at each of the Regal East, Regal West and Crown Jewel deposits with total volume mined of 513,000 BCM. Ore mined, including both high grade and low grade, totalled 267,000t at a mine claimed grade of 1.23g/t Au, 25% above the global resource grade of 0.97g/t Au. 150,000t has been hauled to the Lakewood toll milling facility with 120,000t treated to date.

Milling campaigns 2 and 3 occurred during the half. The second milling campaign commenced on 31 August 2020 with two ore parcels totalling 46,700t processed back-to-back from Regal West and Regal East pits. Milling performance was excellent with throughput averaging 90tph, high gravity recovery and an overall calculated gold recovery of 95.1%. Gold produced from the campaign totalled 1,845 fine ounces with all gold sold at an average price of A\$2,654 per ounce.

The third milling campaign commenced on 5 November 2020 comprising ore from the Crown Jewel, Regal west and Regal east trial pits. Milling performance has been excellent with throughput averaging 87tph, high gravity recovery and an overall calculated gold recovery of 95.0%.

Directors' Report

Exploration and Development Activities (continued)

Mine Development (continued)

Mill reconciliation totalled 50,274 dry tonnes processed at a reconciled mill grade increasing with mine depth to 1.62g/t Au. Overall gold recoveries exceeded expectations with a calculated recovery of 95.0%, above the modelled recoveries of 91.0%. Gold produced from the campaign totalled 2,491 fine ounces with all gold sold at an average price of A\$2,466 per ounce.

The final milling campaign will be completed early in the next half comprising the remainder of Regal East and trial milling some low-grade ore, following which an overall mine to mill reconciliation can be conducted and financial outcomes of stage 1 mining reported. The remaining low grade stockpiles will remain at site for treatment at the proposed Boorara Mill in the future. All mine rehabilitation and removal of contractor infrastructure has been completed.

The feasibility study progressed, including an update to the high grade Rose Hill Resource which now stands at:

- 286kt grading 2.0g/t Au for 18,300oz at a 0.5g/t Au cut-off grade (open pit), and
- 507kt grading 4.6g/t Au for 75,000oz at a 2g/t Au cut-off grade (underground)

In addition, work progressed on geotechnical, metallurgical, infrastructure, approval and evaluations on Teal, Binduli, Rose Hill and Kalpini in relation to the feasibility due in calendar year 2021.

Nanadie Well Copper – Gold Project Joint Venture

As announced to the ASX on 15 September 2020, Horizon divested 100% of its interest in this project to Cyprium Metals Limited (ASX: CYM) for a total consideration of \$1.5M in cash and shares.

Richmond Vanadium Project

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

During the period, a positive Pre-Feasibility Study (“PFS”) was released focussed on the development of the Lilyvale vanadium deposit. The PFS was based on an initial 20 year life at Lilyvale demonstrating a financially viable project with the following key metrics:

- Shallow open pit mining producing 81.2Mt at a fully diluted grade of 0.49% V₂O₅ for 15.8Mt of 1.82% V₂O₅ concentrate with concentrate production on site.
- Refining overall recovery at 86.1% produces 254,000 tonnes of 98% V₂O₅ commercial grade flake with average annual production of 12,700t V₂O₅.
- Modest up-front capital costs of US\$157.4M and operating cash costs of US\$5.53/lb of 98% V₂O₅ flake.
- At current spot price of US\$7.10/lb V₂O₅, project generates NPV8% of US\$150M.

The immediate next steps are to finalise the optionality within the PFS to the next level of study where required in areas such as determining the optimal power supply for the project along with progressing environmental studies and preparing the documents for government permitting and approvals.

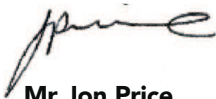
In parallel, discussions shall continue with potential offtake partners in conjunction with assessing the way forward in relation to the project, including financing or assessing other options for maximising shareholder benefit from the project.

Directors' Report

Auditor's Independence Declaration

In accordance with section 307C of the Corporations Act 2001, the Directors have obtained a declaration of independence from PKF Perth, the consolidated entity's auditors, as presented on page 7 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

2 March 2021

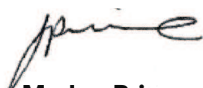
Directors' Declaration

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 2020 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.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Mr Jon Price
Director

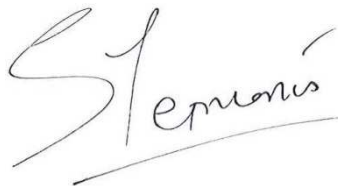
2 March 2021
Perth

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF HORIZON MINERALS LIMITED

In relation to our review of the financial report of Horizon Minerals Limited for the half year ended 31 December 2020, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



PKF PERTH



SIMON FERMANIS
AUDIT PARTNER

02 March 2021
WEST PERTH,
WESTERN AUSTRALIA

Level 4, 35 Havelock Street, West Perth, WA 6005
PO Box 609, West Perth, WA 6872
T: +61 8 9426 8999 F: +61 8 9426 8900 www.pkfperth.com.au

PKF Perth is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.
Liability limited by a scheme approved under Professional Standards Legislation.

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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Horizon Minerals Limited (the company) and controlled entities (consolidated group), which comprises the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration of the consolidated group comprising the company and the entities it controlled at 31 December 2020, or during the half year.

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 Horizon Minerals Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated group's financial position as at 31 December 2020, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the directors' of the company a written Auditor's Independence Declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors' of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Regulations 2001 and for such internal 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.

Level 4, 35 Havelock Street, West Perth, WA 6005

PO Box 609, West Perth, WA 6872

T: +61 8 9426 8999 F: +61 8 9426 8900 www.pkfperth.com.au

PKF Perth is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.
Liability limited by a scheme approved under Professional Standards Legislation.

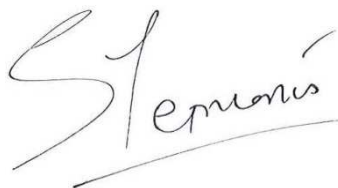
Auditor's Responsibilities for the Review of the Financial Report

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 half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated group's financial position as at 31 December 2020 and its 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 the auditor of Horizon Minerals Limited and the entities it controlled during the half year, 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.



PKF PERTH



Simon Fermanis
Audit Partner

02 March 2021
West Perth,
Western Australia

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Consolidated	
		December 2020 \$	December 2019 \$
Continuing Operations			
Gold sales		13,970,172	-
Gold royalty		96,260	435
Interest income		30,761	35,464
Other income	2(a)	994,802	2,724,500
Net change in fair value on financial assets at fair value through profit or loss	2(c)	537,941	771,857
Total revenue from continuing operations		15,629,936	3,532,256
Cost of sales	2(b)	(11,351,196)	-
Depreciation expenses	2(b)	(90,070)	(67,711)
Exploration and evaluation expenditure	2(b)	(80,697)	-
Employee benefits expense		(531,846)	(246,001)
Share based payments	10	(36,160)	(22,244)
Building and occupancy costs		(51,249)	(64,999)
Consultancy and professional fees		(204,614)	(372,194)
Interest expenses and finance charges	7	(339,726)	-
Other expenses		(866,640)	(288,142)
Profit/ (Loss) from continuing operations before income tax		2,077,738	2,470,965
Income tax (expense)/benefit		(48,956)	-
Profit/ (Loss) for the period		2,028,782	2,470,965
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		2,028,782	2,470,965
Basic earnings/ (loss) per share		0.42 cents	0.58 cents
Diluted earnings/ (loss) per share		0.42 cents	0.58 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 2020

	Note	Consolidated	
		December 2020 \$	June 2020 \$
Current Assets			
Cash and cash equivalents		15,769,651	5,895,535
Trade and other receivables	5	4,635,132	3,729,020
Mine production expenditure	4	-	2,504,762
Total Current Assets		20,404,783	12,129,317
Non-Current Assets			
Financial assets at fair value through profit or loss	3	5,404,283	4,266,342
Other assets		257,927	257,927
Property, plant and equipment		2,424,518	2,577,398
Exploration, evaluation and development expenditure	4	44,228,131	35,755,748
Right of use assets	6	140,379	162,544
Trade and other receivables	5	500,000	-
Total Non-Current Assets		52,955,238	43,019,959
Total Assets		73,360,021	55,149,276
Current Liabilities			
Trade and other payables		3,869,674	3,387,031
Borrowings	7	4,585,205	4,245,479
Lease liability	6	51,012	49,526
Total Current Liabilities		8,505,891	7,682,036
Non-Current Liabilities			
Lease liabilities	6	98,336	120,235
Provisions		1,264,173	930,035
Total Non-Current Liabilities		1,362,509	1,050,270
Total Liabilities		9,868,400	8,732,306
Net Assets		63,491,621	46,416,970
Equity			
Contributed equity	8(a)	66,449,289	51,439,580
Reserves		1,853,490	1,817,330
Accumulated losses		(4,811,158)	(6,839,940)
Total Equity		63,491,621	46,416,970

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 2020	51,439,580	144,976	1,672,354	(6,839,940)	46,416,970
Comprehensive income for the half-year					
Profit/ (Loss) for the half-year	-	-	-	2,028,782	2,028,782
Total comprehensive income for the half-year	-	-	-	2,028,782	2,028,782
Transactions with owners in their capacity as owners:					
Issue of shares	16,100,000	-	-	-	16,100,000
Shares issue costs	(1,090,291)	-	-	-	(1,090,291)
Issue of performance rights as remuneration	-	-	36,160	-	36,160
Balance at 31 December 2020	66,449,289	144,976	1,708,514	(4,811,158)	63,491,621
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	49,746,534	144,976	1,043,674	(5,412,479)	45,522,705

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

Consolidated Statement of Cash Flows

	Consolidated	
	December 2020 \$	December 2019 \$
Cash flows from Operating Activities		
ATO cash flow boost	104,426	-
Receipts from customers	63,542	454,517
Payments to suppliers and employees	(1,999,653)	(1,380,867)
Interest received	30,781	36,723
Income tax expense	(48,956)	-
Capitalised exploration and evaluation expenditure	(3,601,986)	(2,309,613)
Payments for mine production costs	(10,934,011)	-
Proceeds from mine production sales	13,970,172	-
Net cash outflow from operating activities	(2,415,685)	(3,199,240)
Cash flows from Investing Activities		
Proceeds from disposal of property, plant and equipment	70,725	-
Payments for property, plant and equipment	(45,855)	(5,450)
Payments for purchase of tenements	(2,994,365)	-
Proceeds from sale of tenement interest	270,000	1,750,000
Net cash outflow from investing activities	(2,699,495)	1,744,550
Cash flows from Financing Activities		
Proceeds from issues of ordinary shares	16,100,000	-
Share issue costs	(1,090,291)	-
Payments for lease liability	(20,413)	-
Net cash inflow from financing activities	14,989,296	-
Net decrease in cash and cash equivalents	9,874,116	(1,454,690)
Cash and cash equivalents at the beginning of the half-year	5,895,535	4,951,288
Cash and cash equivalents at the end of the half-year	15,769,651	3,496,598

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 Interim 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 Report was approved by the Board of Directors on 2 March 2021. The accounting policies applied by the Group in this Interim Financial Report are the same as those applied by the Group in its Annual Report for the year ended 30 June 2020.

It is also recommended that the Interim Financial Report be considered together with any public announcements made by Horizon during the half-year ended 31 December 2020 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 2020, 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 2020.

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 2020. The impact on the financial statements is not expected to be material.

Notes to the Financial Statements

	December 2020 \$	December 2019 \$
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	67,838	61,403
Profit on sale of tenement interest	916,259	2,634,597
Diesel fuel rebate	9,963	4,168
Other income	742	24,332
	994,802	2,724,500
(b) Expenses		
Cost of sales		
Mining & processing costs	(11,351,196)	-
	(11,351,196)	-
Depreciation	(90,070)	(67,711)
Exploration and evaluation expenditure	(80,697)	-
(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	537,941	771,857
	December 2020 \$	June 2020 \$
3 Financial Assets at Fair Value Through Profit or Loss		
Shares and options in listed companies at market value	5,404,283	4,266,342
Movements in Financial Assets at Fair Value Through Profit or Loss		
Opening balance	4,266,342	605,461
Shares acquired as consideration for sale of mining tenements	600,000	3,000,000
Net change in fair value	537,941	660,881
Closing balance	5,404,283	4,266,342

Notes to the Financial Statements

	December 2020 \$	June 2020 \$
4 Exploration, Evaluation, Development and Production Expenditure		
During the half year ended 31 December 2020, the Group incurred and capitalised the following exploration, evaluation and development expenditure:		
Exploration and evaluation phase		
Carrying amount at beginning of period	35,755,748	35,375,688
Capitalised during the period	4,701,759	3,900,262
Reclassification of mine properties	-	1,835,202
Purchases of tenements	4,574,366	10,000
Sale of tenements	(803,742)	(5,365,404)
Carrying amount at end of period	44,228,131	35,755,748
Mine properties		
Carrying amount at beginning of the period	-	1,835,202
Reclassification of mine properties	-	(1,835,202)
Carrying amount at end of period	-	-
Mine production expenditure		
Carrying amount at beginning of the period	2,504,762	-
Capitalised during the period	-	2,504,762
Mine production costs expensed	(2,504,762)	-
Carrying amount at end of period	-	2,504,762
Total exploration and mine properties	44,228,131	38,260,510
The ultimate recoupment of these costs is dependent on successful development and commercial exploration, or alternatively, the sale of the respective areas.		
5 Trade and Other Receivables		
Current		
Trade receivables	1,035,132	479,020
Receivable – sales of tenements – deferred payments*	3,600,000	3,250,000
	4,635,132	3,729,020
Non-current		
Receivable – sales of tenements – deferred payments*	500,000	-
	500,000	-

Notes to the Financial Statements

5 Trade and Other Receivables (continued)

*Receivable – Sale of Tenement – Deferred Payment

During July 2019 the Company divested 100% of its interest in the Menzies and Goongarrie gold projects to Kingwest Resources Limited (ASX: KWR) for a total consideration of \$8M. A deferred payment of \$3.25M comprising cash of \$1.625M and shares to the value of \$1.625M to be received no later than 18 months after settlement (for further details see announcement dated 9 July 2019). Mr Jon Price, a director of Horizon Minerals Ltd was appointed Non-Executive Director of Kingwest Resources Limited on 18 September 2019.

During the period to 31 December 2020, the Company divested 100% of its interest in the Nanadie Well Copper project to Cyprium Metals Limited (ASX: CYM). As per the ASX announcement on 15 September 2020, total consideration for the project was \$1.5M. The Company received a cash payment of \$250,000 and an issue of ordinary shares in Cyprium, valued at \$400,000. A deferred payment of \$850,000 is to be received in three tranches of Cyprium shares, \$350,000 in 12 months, \$300,000 in 24 months, \$200,000 on a decision to mine from the tenure. The shares are based on a 20 days VWAP.

	December 2020	June 2020
	\$	\$
6 Right-of-use Asset and Lease Liability		
<i>Amounts recognised in the consolidated statement of financial position</i>		
Right-of-use asset		
<i>Property – head office lease</i>		
Opening balance	162,544	206,874
Amortisation	(22,165)	(44,330)
Closing balance	<u>140,379</u>	<u>162,544</u>
Lease liability		
Opening balance	169,761	206,874
Lease payments	(25,506)	(49,526)
Interest expense	5,093	12,413
Closing balance	<u>149,348</u>	<u>169,761</u>
Current lease liability	51,012	49,526
Non-current lease liability	<u>98,336</u>	<u>120,235</u>
Total lease liability	<u>149,348</u>	<u>169,761</u>
<i>Amounts recognised in the consolidated statement of profit or loss</i>		
Amortisation of right-of-use asset		
<i>Property – office lease amortisation</i>	22,165	44,330
	<u>22,165</u>	<u>44,330</u>

The total cash outflow for the lease in the six months to 31 December 2020 was \$25,506.

On 1 July 2019, the Company held one lease for the head office based in Nedlands. The lease was renewed on 22 February 2020 for a further two year period with an option to extend for another two years thereafter. The office lease was reclassified from an operating lease as payments were made each month under the previous AASB117, to recognising a lease liability and a ROU asset in its balance sheet under the new AASB16. Refer to Note 1(o) of the Group's 30 June 2020 Financial Report for further details.

Notes to the Financial Statements

	December 2020	June 2020
	\$	\$
7 Borrowings		
Loan funds borrowed	4,000,000	4,000,000
Accrued interest	585,205	245,479
	4,585,205	4,245,479

During the year ended 30 June 2020, the Group obtained external financing. The loan is secured over mining tenements M26/29 and M26/318, being the Boorara Gold Project for a period of 12 months, carrying an interest rate of 20% p.a. As at 31 December 2020, \$339,726 of interest was accrued for the six months.

In addition to loan funds borrowed, unlisted options were issued to the borrower as follows:

- 12,000,000, with an exercise price of \$0.12 expiring 30 September 2022.
- 12,000,000, with an exercise price of \$0.16 expiring 30 September 2022.

8 Contributed Equity

	December 2020	June 2020	December 2020	June 2020
	No.	No.	\$	\$
(a) Share capital				
Opening Balance	452,975,200	427,975,200	51,439,580	49,746,534
Placement	-	25,000,000	-	2,000,000
Placement Tranche 1	57,500,000	-	8,050,000	-
Placement Tranche 2	57,500,000	-	8,050,000	-
Options exercised during the period	-	-	-	-
Capital raising costs	-	-	(1,090,291)	(306,954)
Total Contributed Equity	567,975,200	452,975,200	66,449,289	51,439,580

(b) Options	Unlisted Options No.	Unlisted Options No.	Unlisted Options No.	Unlisted Options No.	Unlisted Options No.	Total No.
Exercise Price	\$0.25	\$0.2912	\$0.6988	\$0.12	\$0.16	
Expiry date	31 Aug 2019	9 Dec 2019	28 Feb 2020	30 Sep 2022	30 Sep 2022	
Balance at 1 July 2020	-	-	-	12,000,000	12,000,000	24,000,000
Expired during the period	-	-	-	-	-	-
Exercised during the period	-	-	-	-	-	-
Balance at 31 Dec 2020	-	-	-	12,000,000	12,000,000	24,000,000

Notes to the Financial Statements

8 Contributed Equity (continued)

	Unlisted Options No.	Unlisted Options No.	Unlisted Options No.	Unlisted Options No.	Unlisted Options No.	Total No.
Balance at 1 July 2019	500,000	2,743,184	219,456	-	-	3,462,640
Expired during the period	(500,000)	(2,743,184)	(219,456)	-	-	(3,462,640)
Issued during the year	-	-	-	12,000,000	12,000,000	24,000,000
Exercised during the year	-	-	-	-	-	-
Balance at 30 June 2020	-	-	-	12,000,000	12,000,000	24,000,000

(c) Performance Rights

As at 31 December 2020, there were 9,150,000 performance rights on issue that, if the vesting conditions are met, could result in the issue of 9,150,000 ordinary shares in the Company. Further details are contained in Note 10.

9 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 2020			
Revenue	-	14,982,691	14,982,691
Profit/(loss) before Income tax	-	1,509,061	1,509,061
31 December 2019			
Revenue	-	2,635,032	2,635,032
Profit/(loss) before Income tax	-	1,663,644	1,663,644
31 December 2020			
Total Segment Assets	756,367	67,199,371	67,955,738
30 June 2020			
Total Segment Assets	756,367	44,231,032	44,987,399

Notes to the Financial Statements

9 Segment Information (continued)

	December 2020 \$	December 2019 \$
Segment profit/(loss)		
Segment profit/(loss) reconciles to profit/(loss) before income tax as follows:		
Segment profit/(loss) before income tax	1,509,036	1,663,644
Interest revenue	30,761	35,464
Unallocated costs net of other revenue consisting of:		
Net change in fair value on financial assets at fair value through profit and loss	537,941	771,857
Profit/(loss) before income tax	2,077,738	2,470,965
Segment assets		
Segment assets reconcile to total assets as follows:		
Unallocated assets consisting of:		
Financial assets through profit and loss	5,404,283	4,377,318
Total assets	73,360,021	49,010,260

10 Share Based Payments

As at 1 July 2020, 2,400,000 Class E performance rights were cancelled.

In November 2020, directors and employees were granted 9,150,000 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 Horizon Minerals Employee Incentive Scheme (EIS) approved by shareholders at the General Meeting held of 29 November 2019. The issue to Directors was approved at the Annual General Meeting on 26 November 2020.

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.

The terms of the Performance Rights will be as follows:

Class of Performance Rights	Service Condition	Performance condition
Class H Performance Rights	The holder or the holder's representative remains engaged as an employee or Director until the performance condition is satisfied.	(a) Prior to 31 December 2021 the volume weighted average price of the Company's Shares over 20 consecutive Trading Days on which the Shares trade is 20 cents or more; or (b) Prior to 31 December 2021 a Takeover Event occurs.

Notes to the Financial Statements

10 Share Based Payments (continued)

Class of Performance Rights	Service Condition	Performance condition
Class I Performance Rights	The holder or the holder's representative remains engaged as an employee or Director until the performance condition is satisfied.	(a) Prior to 31 December 2022 the volume weighted average price of the Company's Shares over 20 consecutive Trading Days on which the Shares trade is 25 cents or more; or (b) Prior to 31 December 2022 a Takeover Event occurs.
Class J Performance Rights	The holder or the holder's representative remains engaged as an employee or Director until the performance condition is satisfied.	(a) Prior to 31 December 2023 volume weighted average price of the Company's Shares over 20 consecutive Trading Days on which the Shares trade is 30 cents or more; or (b) Prior to 31 December 2023 a Takeover Event occurs.

During the half-year ended 31 December 2020, \$36,160 was expensed as a share based payment in respect of Class H, I and J performance rights, with the fair value being recognised over the vesting period. As at 31 December 2020, a total of 9,150,000 performance rights remain unvested.

Set out below is a summary of the performance rights granted:

	Class H	Class I	Class J	Total
Number granted	3,050,000	3,050,000	3,050,000	9,150,000
Grant date	26-Nov-20	26-Nov-20	26-Nov-20	
Expiry date of milestone achievements	31-Dec-21	31-Dec-22	31-Dec-23	
Share price hurdle	20 cents	25 cents	30 cents	
Fair value per right*	0.0681	0.0750	0.0796	
Total fair value that would be recognised over the vesting period if rights are vested	207,705	228,750	242,780	679,235
Number remaining at 31 December 2020	3,050,000	3,050,000	3,050,000	9,150,000
Amount expensed in December 2020	18,174	10,466	7,520	36,160

Notes to the Financial Statements

10 Share Based Payments (continued)

* The fair value of the rights was determined using Hoadley's Barrier 1 model that takes into account the vesting condition of the rights, and was based on the following inputs:

Assumptions	Rights		
	Class H	Class I	Class J
Spot price	\$0.115	\$0.115	\$0.115
Exercise price	Nil	Nil	Nil
Expected future volatility	80%	80%	80%
Risk free rate	0.14%	0.14%	0.14%
Dividend yield	Nil	Nil	Nil

11 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.

12 Subsequent Events

- (a) Subsequent to period end, the final toll milling campaign was completed creating \$1.2M in net cash flow, refer to ASX announcement dated 23 February 2021.
- (b) On 18 January 2021, an additional 1,000,000 performance rights were issued. Total performance rights on issue are 10,150,000.
- (c) On 11 January 2021, the Group repaid in full the loan monies and interest owing with its external financiers, Sparta AG. The loan was for \$4,000,000 and interest of \$609,315 refer to Note 7.

There are no other matters or circumstances that have arisen since 31 December 2020 that have or may significantly affect the operations, results, or state of affairs of the Group in future financial periods.