



# **Interim Financial Report**

**for the Half-Year ended**

**31 December 2021**

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## Corporate Particulars

### Directors

Ashok Parekh  
Peter Bilbe  
Jon Price

### Chief Financial Officer & Company Secretary

Julian Tambyrajah

### Registered Office & Principal Place of Business

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Nedlands WA 6009  
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**E** [info@horizonminerals.com.au](mailto:info@horizonminerals.com.au)  
**W** [horizonminerals.com.au](http://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](http://computershare.com/au)

### Auditors

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

### Stock Exchange Listing

Australian Stock Exchange  
Code: HRZ

## Directors' Report

Your Directors present their report on the consolidated financial statements for the half-year ended 31 December 2021.

### 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 (Company or Horizon) and its controlled entity (Group) during the period consisted of:

- Exploration and evaluation of gold projects across the portfolio
- Trial mining and toll processing on the Boorara Gold Project
- Continued acquisition growth including the purchase of the Penny's Find gold mine and the Cannon Gold Project
- Divestment of Janet Ivy royalty with Norton Goldfields and Lehman's Gold joint venture with Northern Star Resources (previously Saracen Mineral Holdings).
- Continued work on the consolidated Feasibility Study for the Boorara Gold Project.
- A strategic review of the Nimbus zinc-silver project including and offtake process

The consolidated entity made an after tax profit of \$3,746,605 (December 2020:\$2,028,782) for the half year.

## Review of Operations

### Corporate

#### Issued Capital

At 31 December 2021, Horizon had 567,975,200 fully paid ordinary shares on issue (December 2020: 567,975,200).

#### Company Investments

At 31 December 2021, Horizon held the following investments

Company	Number of Ordinary Shares	Value at 31 Dec 2021
Kingwest Resources Ltd	37,083,333	\$7,231,250
Reward Minerals Ltd	7,151,109	\$929,644
Cyprium Metals Ltd	2,509,750	\$414,109
Red Dirt Metals Ltd	636,796	\$423,469
Metal Hawk Ltd	1,500,000	\$427,500
<b>TOTAL</b>		<b>\$9,425,972</b>

At 31 December 2021, the Company had cash on hand of approximately \$3.4M.

## 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

During the half-year ended 31 December 2021, the Company completed 28,347m of drilling as part of the >50,000m resource definition and new discovery exploration program across the entire 1,100km<sup>2</sup> asset portfolio.

Reverse Circulation (RC) drilling commenced at multiple new discovery targets within the Greater Boorara area including Kanowna South (Au), Gretel (Ag-Zn-Ni), Golden Ridge (Au), Perkolilli (Au-Cu), Brindabella (Ag-Zn-Ni), Tramways/Condor (Ag-Zn-PGE) and Balagundi (Au).

Exploration drilling has also commenced at the exciting Yarmany and Lakewood project areas (Figure 1) with both RC and Air Core (AC) rigs testing multiple targets along major geological structures. Field reconnaissance, soil sampling and rock chip sampling have identified significant potential for gold, nickel and pegmatites (lithium) along the Mt Ida Fault and Reptile shear zone at Yarmany with results from the first phase of drilling expected in the current March Quarter.

Follow up and extensional RC drilling was also completed at the Kestrel, Honeyeater, Crake, Coote and Black Flag prospects within the Binduli project area (Figure 1).

Significant delays continue to be experienced at the laboratories with assays taking up to 8 weeks to be processed impacting on follow up drilling plans, resource updates and reserve work. Exploration is typically completed systematically with the results of the previous programs informing the next round of drilling. Results from over 7,000m of drilling remain pending and are expected in the current March Quarter 2022.

The company acquired the Cannon, Glandore and Cowarna project during the half, including the high grade Cannon Underground mine.

In addition, the company executed a Nickel rights option agreement with Metal Hawk Limited (ASX: MHK) at Berehaven with Horizon receiving 1,500,000 shares in MHK as consideration for the option, with a further 3,000,000 MHK shares payable if MHK elect to exercise the option within 18 months.

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](http://www.horizonminerals.com.au)).

#### Mine Development

The feasibility study progressed, with updated Mineral Resource Estimates (MRE) released for Penny' Find (HRZ 50%), Crake, Kalpini, Jacques Find - Peyes Farm, and a maiden HRZ MRE for Cannon Underground, the latter project acquired during the half. Horizon's total Resources now stand at:

- 20.73Mt grading 1.72g/t Au for 1,148,840 ounces (with 73% in the Measured and Indicated categories)

Note that Horizon has come to an agreement to acquire the remaining 50% of the Penny's Find project from Labyrinth Resources Limited (ASX: LRL), with completion due in the March 2022 quarter.

During the half-year 31 December 2021, development activities focussed on open pit and underground mine optimisation, design and economic analysis for Ore Reserve generation on core projects including the Boorara, Cannon, Penny's Find, Crake, Jacques Find - Peyes Farm, Kalpini and Rose Hill gold projects. Work completed included geotechnical assessment, confirmatory metallurgical test work, ore and waste characterisation, infrastructure and services studies and progression of environmental and statutory approvals.

## Directors' Report

### Exploration and Development Activities (continued)

Resource and reserve work is being completed predominantly by independent consultants and will be released to market as they are completed.<sup>1</sup>

In addition, a further toll milling campaign was completed during the Quarter treating low-grade stockpiles from the Boorara open pit at the Lakewood processing facility 7km to the west. The 36-day campaign processed 69,711 dry tonnes at a fully reconciled grade of 0.92g/t Au for 1,857 fine ounces at a calculated recovery of 90%.

The campaign generated approximately \$770,000 after all costs under a profit-sharing arrangement with the toll mill owner.

The ore grade reconciled 8% above the mine claimed grade and provided further valuable geological information on grade allocation processes. Gravity recovery was again high at 33% with reagent consumption and throughput rates in line with expectation.

A second toll milling campaign commenced late in the Quarter with final reconciliation results expected in the current March Quarter 2022.

### Nimbus Silver-Zinc project

The Nimbus project lies adjacent to the Boorara gold mine (Figures 1 and 13) and was placed on care and maintenance in 2007 after producing 3.6Moz of silver from 318kt of ore processed at a grade of 353g/t Ag. The old plant has since been removed and the area rehabilitated.

The Project hosts a high-grade silver zinc resource of 256kt @ 773g/t Ag and 13% Zn as part of the global Nimbus resource of 12.1Mt @ 52g/t Ag, 0.9% Zn and 0.2g/t Au for a total of 20Moz Ag and 104kt Zn and 78koz Au.<sup>2</sup>

Extensive metallurgical test work has been completed on Nimbus ore with the Feasibility Study (FS) put on hold in 2016. In light of increasing silver and zinc prices and as announced to the ASX on 11 February 2021, the Company will retain the project and engage an independent technical team to review and update the FS in 2022.

During the Quarter, work continued on the technical aspects of the geology, mineralogy and concentrate options for the deposits with the aim of generating separate silver, zinc and potentially gold concentrates for direct sale. Initial discussions with potential offtake partners have shown significant interest in these concentrates enabling a simplified process flow sheet to be evaluated at significantly reduced capital and operating costs.

### 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 (RVP) in Queensland (refer ASX announcement dated 13 December 2016).

As announced to the ASX on 27 October 2020, a positive Pre-Feasibility Study (PFS) was released focussed on the development of the Lilyvale vanadium deposit.

The Study delivered a maiden Ore Reserve for Lilyvale of:

- **459.2Mt grading 0.49% V<sub>2</sub>O<sub>5</sub> for 2.25Mt of contained V<sub>2</sub>O<sub>5</sub> product**

## Directors' Report

### Exploration and Development Activities (continued)

#### Richmond Vanadium Project (continued)

During the period, an update to the Pre-Feasibility Study ("PFS") was released for the development of the Lilyvale vanadium deposit. The PFS was based on an initial 25 year life (25% of Ore Reserve) at Lilyvale demonstrating a financially viable project with the following key metrics:

- Shallow low impact open pit mining producing 101.5Mt of oxide ore at a fully diluted grade of 0.49% V<sub>2</sub>O<sub>5</sub> for 19.75Mt of 1.82% V<sub>2</sub>O<sub>5</sub> with concentrate production on site
- Refining overall recovery at 86.1% produces 317,500 tonnes of 98% V<sub>2</sub>O<sub>5</sub> commercial grade flake with **average annual production of 12,700t V<sub>2</sub>O<sub>5</sub>**
- Modest up-front capital costs of A\$242.2m (US\$176.8m) and operating cash costs of A\$8.66/lb (US\$6.32/lb) of 98% V<sub>2</sub>O<sub>5</sub> flake
- At a spot price of A\$13.15/lb (US\$9.60/lb) V<sub>2</sub>O<sub>5</sub>, project generates **NPV<sub>10%</sub> of A\$613.0M (US\$447.5M) with IRR of 38%** and a payback of 3.2 years

During the half-year ended 31 December 2021, RVT commenced work on a Definitive Feasibility Study (DFS) 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.

Discussions occurred during the half-year 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.

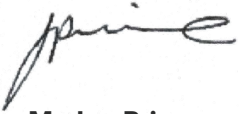
The Company announced on 24 November 2021 its intention to demerge Horizon's 25% interest in the RVP and to merge with RVT and its 75% interest in the project, followed by an in-specie distribution to existing Horizon shareholders and listing ASX.

## **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 8 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**  
**Managing Director**

9 March 2022



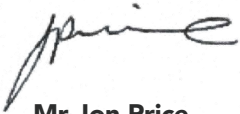
## Directors' Declaration

The Directors of the Company declare that:

- 1) The financial statements and notes, as set out within this financial report:
  - (a) comply with Australian Accounting Standard AASB 134 'Interim Financial Reporting', the *Corporations Regulations 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 2021 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**  
**Managing Director**

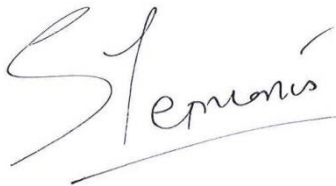
9 March 2022  
Perth

**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 2021, 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  
PARTNER

09 March 2022  
WEST PERTH,  
WESTERN AUSTRALIA

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## 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 (Group), which comprises the consolidated statement of financial position as at 31 December 2021, 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 2021, 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 2021, 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 Group. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report.

#### Independence

We are independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### 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.

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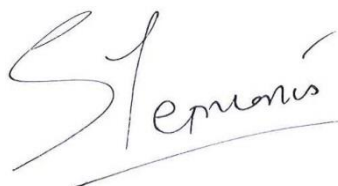
### Auditor's Responsibilities for the Review of the Financial Report

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 Group, 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 2021 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  
PARTNER

09 MARCH 2022  
WEST PERTH,  
WESTERN AUSTRALIA

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Consolidated	
		December 2021 \$	December 2020 \$
<b>Continuing Operations</b>			
Gold sales		2,339,501	13,970,172
Gold royalty		-	96,260
Interest income		7,521	30,761
Other income	3(a)	1,960,450	994,802
Net change in fair value on financial assets at fair value through profit or loss	3(c)	4,053,858	537,941
<b>Total revenue from continuing operations</b>		<b>8,361,330</b>	<b>15,629,936</b>
Cost of sales	3(b)	(1,428,069)	(11,351,196)
Depreciation expenses	3(b)	(168,408)	(90,070)
Exploration and evaluation expenditure	3(b)	(876,164)	(80,697)
Employee benefits expense		(1,029,266)	(531,846)
Share based payments	11	(196,544)	(36,160)
Building and occupancy costs		(45,293)	(51,249)
Consultancy and professional fees		(155,532)	(204,614)
Interest expenses and finance charges	8	(41,434)	(339,726)
Other expenses		(674,015)	(866,640)
<b>Profit/ (Loss) from continuing operations before income tax</b>		<b>3,746,605</b>	<b>2,077,738</b>
Income tax (expense)/benefit		-	(48,956)
<b>Profit/ (Loss) for the period</b>		<b>3,746,605</b>	<b>2,028,782</b>
<b>Other comprehensive income for the period</b>			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
<b>Other comprehensive income for the period</b>		<b>-</b>	<b>-</b>
<b>Profit/ (Loss) for the period and total comprehensive income attributable to owners of Horizon Minerals Limited</b>		<b>3,746,605</b>	<b>2,028,782</b>
Basic earnings/ (loss) per share		0.66 cents	0.42 cents
Diluted earnings/ (loss) per share		0.66 cents	0.42 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 2021

	Note	Consolidated	
		December 2021 \$	June 2021 \$
<b>Current Assets</b>			
Cash and cash equivalents		3,404,144	11,315,965
Trade and other receivables	6	1,892,772	1,105,529
Mine production expenditure	5	-	-
Financial assets at fair value through profit or loss	4	9,425,972	4,236,000
<b>Total Current Assets</b>		<b>14,722,888</b>	<b>16,657,494</b>
<b>Non-Current Assets</b>			
Other assets		257,927	257,927
Property, plant and equipment		454,043	478,383
Exploration, evaluation and development expenditure	5	58,087,597	48,931,342
Right of use assets	7	102,731	126,438
Trade and other receivables	6	-	-
<b>Total Non-Current Assets</b>		<b>58,902,298</b>	<b>49,794,290</b>
<b>Total Assets</b>		<b>73,625,186</b>	<b>66,451,784</b>
<b>Current Liabilities</b>			
Trade and other payables		4,017,688	857,833
Borrowings	8	-	-
Lease liability	7	47,741	47,741
<b>Total Current Liabilities</b>		<b>4,065,429</b>	<b>905,574</b>
<b>Non-Current Liabilities</b>			
Lease liabilities	7	62,288	86,202
Provisions		1,483,576	1,389,664
<b>Total Non-Current Liabilities</b>		<b>1,546,264</b>	<b>1,475,866</b>
<b>Total Liabilities</b>		<b>5,611,693</b>	<b>2,381,440</b>
<b>Net Assets</b>		<b>68,013,493</b>	<b>64,070,344</b>
<b>Equity</b>			
Contributed equity	9(a)	66,426,399	66,426,399
Reserves		736,159	747,003
Accumulated losses		850,935	(3,103,058)
<b>Total Equity</b>		<b>68,013,493</b>	<b>64,070,344</b>

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 \$
<b>Balance at 1 July 2021</b>	66,426,399	-	747,003	(3,103,058)	64,070,344
<b>Comprehensive income for the half-year</b>					
Profit/ (Loss) for the half-year	-	-	-	3,746,605	3,746,605
<b>Total comprehensive income for the half-year</b>	-	-	-	3,746,605	3,746,605
<b>Transactions with owners in their capacity as owners:</b>					
Shares issued	-	-	-	-	-
Shares issue costs	-	-	-	-	-
Issue of performance rights as remuneration	-	-	196,544	-	196,544
Performance rights expired	-	-	(207,388)	207,388	-
<b>Balance at 31 December 2021</b>	<b>66,426,399</b>	<b>-</b>	<b>736,159</b>	<b>850,935</b>	<b>68,013,493</b>
<b>Balance at 1 July 2020</b>	51,439,580	144,976	1,672,354	(6,839,940)	46,416,970
<b>Comprehensive income for the half-year</b>					
Profit/ (Loss) for the half-year	-	-	-	2,028,782	2,028,782
<b>Total comprehensive income for the half-year</b>	-	-	-	2,028,782	2,028,782
<b>Transactions with owners in their capacity as owners:</b>					
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
<b>Balance at 31 December 2020</b>	<b>66,449,289</b>	<b>144,976</b>	<b>1,708,514</b>	<b>(4,811,158)</b>	<b>63,491,621</b>

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

## Consolidated Statement of Cash Flows

	Consolidated	
	December 2021 \$	December 2020 \$
<b>Cash flows from Operating Activities</b>		
ATO cash flow boost	-	104,426
Receipts from customers	16,034	63,542
Payments to suppliers and employees	(2,281,894)	(1,999,653)
Interest received	7,517	30,781
Income tax expense	-	(48,956)
Payments for exploration and evaluation expenditure	(758,007)	-
Payments for trial mine production costs	(1,428,069)	(10,934,011)
Proceeds from trial mine production sales	2,339,501	13,970,172
<b>Net cash outflow from operating activities</b>	<b>(2,104,918)</b>	<b>1,186,301</b>
<b>Cash flows from Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	-	70,725
Payments for property, plant and equipment	(144,068)	(45,855)
Proceeds from sale of investments	1,421,000	-
Payments for purchase of investments	(754,066)	(2,994,365)
Proceeds from sale of tenements	350,000	270,000
Payments for purchase of tenements	(2,500,000)	-
Payments for capitalised exploration and evaluation expenditure	(4,156,255)	(3,601,986)
<b>Net cash outflow from investing activities</b>	<b>(5,783,389)</b>	<b>(6,301,481)</b>
<b>Cash flows from Financing Activities</b>		
Proceeds from issues of ordinary shares	-	16,100,000
Share issue costs	-	(1,090,291)
Payments for lease liability	(23,514)	(20,413)
<b>Net cash inflow from financing activities</b>	<b>(23,514)</b>	<b>14,989,296</b>
Net decrease in cash and cash equivalents	(7,911,821)	9,874,116
Cash and cash equivalents at the beginning of the half-year	11,315,965	5,895,535
<b>Cash and cash equivalents at the end of the half-year</b>	<b>3,404,144</b>	<b>15,769,651</b>

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



## Notes to the Financial Statements

### 1 Significant Accounting Policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 134 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the entity during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

#### **New or Amended Accounting Standards and Interpretations Adopted**

The consolidated entity has adopted all new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### 2 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 9 March 2022. 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 2021.

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 2021 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 2021, 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 2021.

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 2021. The impact on the financial statements is not expected to be material.

## Notes to the Financial Statements

### 3 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	85,882	67,838
Profit on sale of tenement interest	-	916,259
Profit on sale of investments	1,082,848	-
Diesel fuel rebate	14,073	9,963
Other income	777,647	742

**1,960,450**

**994,802**

**(b) Expenses**

Cost of sales		
Mining & processing costs	(1,428,069)	(11,351,196)

Cost of sales	(1,428,069)	(11,351,196)
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Depreciation	(168,408)	(90,070)
Exploration and evaluation expenditure	(876,164)	(80,697)
Defined contribution superannuation expense	(63,400)	(31,571)

**(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	4,053,858	537,941

**December  
2021  
\$**

**June  
2021  
\$**

### 4 Financial Assets at Fair Value Through Profit or Loss

Shares and options in listed companies at market value	9,425,972	4,236,200
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**Movements in Financial Assets at Fair Value Through Profit or Loss**

Opening balance	4,236,200	4,266,342
Shares acquired as consideration for sale of mining tenements	974,066	2,225,000
Additions	500,000	-
Disposals	(338,152)	-
Net change in fair value	4,053,858	(2,255,142)

<b>Closing balance</b>	<b>9,425,972</b>	<b>4,236,200</b>
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## Notes to the Financial Statements

### 5 Exploration, Evaluation, Development and Production Expenditure

During the half year ended 31 December 2021, the Group incurred and capitalised the following exploration, evaluation and development expenditure:

#### Exploration and evaluation phase

	December 2021 \$	June 2021 \$
Carrying amount at beginning of period	48,931,342	35,755,748
Capitalised during the period	4,156,255	9,404,971
Reclassification of mine properties	-	-
Purchases of tenements	5,000,000	4,574,365
Sale of tenements	-	(803,742)
<b>Carrying amount at end of period</b>	<b>58,087,597</b>	<b>48,931,342</b>
<b>Mine properties</b>		
Carrying amount at beginning of the period	-	-
Reclassification of mine properties	-	-
<b>Carrying amount at end of period</b>	<b>-</b>	<b>-</b>
<b>Mine production expenditure</b>		
Carrying amount at beginning of the period	-	2,504,762
Capitalised during the period	-	-
Mine production costs expensed	-	(2,504,762)
<b>Carrying amount at end of period</b>	<b>-</b>	<b>-</b>
<b>Total exploration and mine properties</b>	<b>58,087,597</b>	<b>48,931,342</b>

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

### 6 Trade and Other Receivables

#### Current

Trade receivables	1,225,875	64,858
Other receivables – ATO receivables	-	991
Receivable – sale of tenement – deferred payment*	500,000	850,000
Prepayment and other receivables	149,793	172,577
Accrued interest	4	3
Term deposit – bonds & credit card security deposit	17,100	17,100
	<b>1,892,772</b>	<b>1,105,529</b>

## Notes to the Financial Statements

### 6 Trade and Other Receivables (continued)

#### \*Receivable – Sale of Tenement – Deferred Payment

During the period to 31 December 2021, the Company received \$350,000 being the first of three deferred payments totalling \$850,000 for the 100% divestment of its interest in the Nanadie Well Copper project to Cyprium Metals Limited (ASX: CYM) in September 2020. The payment was made in cash and the final two tranches will be paid in Cyprium shares, \$300,000 in 24 months and \$200,000 on a decision to mine from the tenure. The shares are based on a 20 days VWAP.

	December 2021 \$	June 2021 \$
<b>7 Right-of-use Asset and Lease Liability</b>		
<i>Amounts recognised in the consolidated statement of financial position</i>		
<b>Right-of-use asset</b>		
<i>Property – head office lease</i>		
Opening balance	126,438	162,544
Initial recognition adjustment	-	14,392
Amortisation	(23,707)	(50,498)
Closing balance	102,731	126,438
<b>Lease liability</b>		
Opening balance	133,943	169,761
Initial recognition adjustment	-	14,392
Lease payments	(27,240)	(59,433)
Interest expense	3,726	9,223
Closing balance	110,429	133,943
Current lease liability	47,741	47,741
Non-current lease liability	62,688	86,202
Total lease liability	110,429	133,943
<i>Amounts recognised in the consolidated statement of profit or loss</i>		
<b>Amortisation of right-of-use asset</b>		
<i>Property – office lease amortisation</i>		
	23,707	50,498
	<b>23,707</b>	<b>50,498</b>

The total cash outflow for the lease in the six months to 31 December 2021 was \$27,240.

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.

## Notes to the Financial Statements

	December 2021 \$	June 2021 \$
<b>8 Borrowings</b>		
Loan funds borrowed	-	-
Accrued interest	-	-
	-	-

### 9 Contributed Equity

	December 2021 No.	June 2021 No.	December 2021 \$	June 2021 \$
<b>(a) Share capital</b>				
Opening Balance	567,975,200	452,975,200	66,426,399	51,439,580
Placement	-	-	-	-
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	-	-	-	(1,113,181)
<b>Total Contributed Equity</b>	<b>567,975,200</b>	<b>567,975,200</b>	<b>66,426,399</b>	<b>66,426,399</b>

### (b) Options

	Unlisted Options No.	Unlisted Options No.	Total No.
<b>Exercise Price</b>	\$0.12	\$0.16	
<b>Expiry date</b>	30 Sep 2022	30 Sep 2022	
Balance at 1 July 2021	12,000,000	12,000,000	24,000,000
Expired during the period	-	-	-
Exercised during the period	-	-	-
<b>Balance at 31 Dec 2021</b>	<b>12,000,000</b>	<b>12,000,000</b>	<b>24,000,000</b>

## Notes to the Financial Statements

### 9 Contributed Equity (continued)

	Unlisted Options No.	Unlisted Options No.	Total No.
<b>Exercise Price</b>	\$0.12	\$0.16	
<b>Expiry date</b>	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 year	-	-	-
<b>Balance at 30 June 2021</b>	<b>12,000,000</b>	<b>12,000,000</b>	<b>24,000,000</b>

### (c) Performance Rights

As at 31 December 2021, there were 7,066,667 performance rights on issue that, if the vesting conditions are met, could result in the issue of 7,066,667 ordinary shares in the Company. Further details are contained in Note 11.

### 10 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 \$
<b>31 December 2021</b>			
Revenue	-	2,339,501	2,339,501
<b>Profit/(loss) before Income tax</b>	<b>-</b>	<b>(314,774)</b>	<b>(314,744)</b>
<b>31 December 2020</b>			
Revenue	-	14,982,691	14,982,691
<b>Profit/(loss) before Income tax</b>	<b>-</b>	<b>1,509,061</b>	<b>1,509,061</b>
<b>31 December 2021</b>			
<b>Total Segment Assets</b>	<b>756,957</b>	<b>60,038,113</b>	<b>60,795,070</b>
<b>30 June 2021</b>			
<b>Total Segment Assets</b>	<b>756,401</b>	<b>50,143,218</b>	<b>50,899,619</b>

## Notes to the Financial Statements

### 10 Segment Information (continued)

	December 2021 \$	December 2020 \$
<b>Segment profit/(loss)</b>		
Segment profit/(loss) reconciles to profit/(loss) before income tax as follows:		
Segment profit/(loss) before income tax	(314,774)	1,509,036
Interest revenue	7,521	30,761
Unallocated costs net of other revenue consisting of:		
Net change in fair value on financial assets at fair value through profit and loss	4,053,858	537,941
<b>Profit/(loss) before income tax</b>	<b>3,746,605</b>	<b>2,077,738</b>
<b>Segment assets</b>		
Segment assets reconcile to total assets as follows:		
	<b>60,795,070</b>	<b>67,955,738</b>
Unallocated assets	12,830,116	5,404,283
<b>Total assets</b>	<b>73,625,186</b>	<b>73,360,021</b>

### 11 Share Based Payments

As at 31 December 2021, 3,583,333 Class H performance rights were cancelled.

In August and October, employees were granted 500,000 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

### 11 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 2021, \$196,544 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 2021, a total of 7,066,667 performance rights remain unvested.

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

	Class H.1	Class I.1	Class J.1	Total
Number granted	1,550,000	1,550,000	1,550,000	4,650,000
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*	0.0679	0.0741	0.0782	
Total fair value that would be recognised over the vesting period if rights are vested	105,245	114,855	121,210	341,310



## Notes to the Financial Statements

### 11 Share Based Payments (continued)

	Class H.2	Class I.2	Class J.2	Total
Number granted	1,500,000	1,500,000	1,500,000	<b>4,500,000</b>
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*	0.0549	0.0627	0.0675	
Total fair value that would be recognised over the vesting period if rights are vested	82,350	94,050	101,250	<b>277,650</b>
	Class H.3	Class I.3	Class J.3	Total
Number granted	333,333	333,333	333,334	<b>1,000,000</b>
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*	0.0574	0.0663	0.0714	
Total fair value that would be recognised over the vesting period if rights are vested	19,133	22,100	23,800	<b>65,033</b>

## Notes to the Financial Statements

### 11 Share Based Payments (continued)

	Class H.4	Class I.4	Class J.4	Total
Number granted	100,000	100,000	100,000	<b>300,000</b>
Grant date	30-Aug-21	30-Aug-21	30-Aug-21	
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*	0.0132	0.0436	0.0554	
Total fair value that would be recognised over the vesting period if rights are vested	660	2,180	2,770	<b>5,610</b>
	Class H.5	Class I.5	Class J.5	Total
Number granted	-	100,000	100,000	<b>200,000</b>
Grant date	08-Oct-21	08-Oct-21	08-Oct-21	
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*	0.0132	0.0479	0.0611	
Total fair value that would be recognised over the vesting period if rights are vested	-	4,790	6,110	<b>10,900</b>
Number expired/cancelled at 31 December 2021	(3,483,333)	(50,000)	(50,000)	<b>(3,583,333)</b>
Number remaining at 31 December 2021	-	3,533,333	3,533,334	<b>7,066,667</b>
Amount expensed in December 2021	97,589	57,559	41,396	<b>196,544</b>

## Notes to the Financial Statements

### 11 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.1	Class H.2	Class H.3	Class H.4	Class H.5
Spot price	\$0.110	\$0.100	\$0.105	\$0.1075	\$0.1075
Vesting hurdle	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20
Exercise price	Nil	Nil	Nil	Nil	Nil
Expiry period (years)	31-Dec-21	31-Dec-21	31-Dec-21	31-Dec-21	31-Dec-21
Expected future volatility	80%	80%	80%	75%	75%
Risk free rate	0.09%	0.10%	0.08%	0.01%	0.01%
Dividend yield	Nil	Nil	Nil	Nil	Nil
Assumptions	Rights				
	Class I.1	Class I.2	Class I.3	Class I.4	Class I.5
Spot price	\$0.110	\$0.100	\$0.105	\$0.1075	\$0.1150
Vesting hurdle	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25
Exercise price	Nil	Nil	Nil	Nil	Nil
Expiry period (years)	31-Dec-22	31-Dec-22	31-Dec-22	31-Dec-22	31-Dec-22
Expected future volatility	80%	80%	80%	75%	75%
Risk free rate	0.09%	0.10%	0.08%	0.01%	0.09%
Dividend yield	Nil	Nil	Nil	Nil	Nil

## Notes to the Financial Statements

### 11 Share Based Payments (continued)

Assumptions	Rights				
	Class J.1	Class J.2	Class J.3	Class J.4	Class J.5
Spot price	\$0.110	\$0.100	\$0.105	\$0.1075	\$0.1150
Vesting hurdle	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30
Exercise price	Nil	Nil	Nil	Nil	Nil
Expiry period (years)	31-Dec-23	31-Dec-23	31-Dec-23	31-Dec-23	31-Dec-23
Expected future volatility	80%	80%	80%	75%	75%
Risk free rate	0.11%	0.12%	0.10%	0.15%	0.39%
Dividend yield	Nil	Nil	Nil	Nil	Nil

### 12 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.

## Notes to the Financial Statements

### 13 Subsequent Events

- (a) On 24 February 2022, 3,000,000 shares were issued to the company by Metal Hawk Limited as a result of the company exercising its nickel rights option. The shares are subject to escrow until the 28 August 2022.
- (b) On 24 November 2021, the Company executed a Process Deed with Richmond Vanadium Technology Pty Ltd (RVT) which outlines the Company's intention to demerge a 25% interest in the Richmond Vanadium Project in Queensland, and to combine that interest with RVT's 75% interest in the project (restructure), followed by an application to list on the ASX. At the time of reporting the Company had made good progress in the restructure, however, execution of final agreements had not occurred.

There is increasing disruption to normal economic and business activity, as a result of the COVID 19 pandemic announced by the World Health Organisation in March 2020 and the subsequent Federal Government's announcements of protocols that have already been instigated and the potential for others. This creates a level of uncertainty about the future trading outlook for all organisations in Australia and the Company is no exception. It is not possible to reliably assess the potential impacts at the present time.

There are no other matters or circumstances that have arisen since 31 December 2021 that have or may significantly affect the operations, results, or state of affairs of the Group in future financial periods.