



# **Interim Financial Report**

**for the Half-Year ended**

**31 December 2022**

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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 2022.

### 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 \$1,747,375 (December 2021: \$3,746,605) for the half year.

## Review of Operations

### Corporate

#### Issued Capital

At 31 December 2022, Horizon had 622,846,215 fully paid ordinary shares on issue (December 2021: 567,975,200).

#### Company Investments

At 31 December 2022, Horizon held the following investments

Company	Number of Ordinary Shares	Value at 31 Dec 2022
Kingwest Resources Ltd	37,083,333	\$1,297,917
Richmond Vanadium Technology Ltd	19,833,363	\$4,660,840
Greenstone Resources Ltd	2,300,287	\$73,609
Cyprium Metals Ltd	84,617	\$8,885
<b>TOTAL</b>	<b>59,301,600</b>	<b>\$6,041,251</b>

At 31 December 2022, the Company had cash on hand of approximately \$1.4M.

## 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 2022, the Company completed 2,695m of RC 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 was completed at the Monument and Pinner prospects near the Cannon Open Cut Gold Mine 28km south east of Kalgoorlie. A total of 2,695m was drilled. The results highlighted potential for two small open cut gold mines.

At Yarmany, 55km north west of Coolgardie, 976 shallow auger drill holes (1-2m) were completed for multi-element analysis. New targets were generated. Field reconnaissance, including soil sampling and rock chip sampling have further identified potential areas of interest for gold, nickel, pegmatites (lithium) and REE along the Mt Ida Fault.

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

Work progressed on advancing the development of underground project pipeline, specifically the low tonnage, high grade Cannon, Penny's Find and Rose Hill projects under a contract mining and toll milling model. Horizon acquired the remaining 50% of the Penny's Find project from Labyrinth Resources Limited (ASX: LRL) in August 2022, with Horizon now owning 100% of the project.

Updated Mineral Resource Estimates (MRE) were released for Penny's Find, Coote, Baden Powell and Windanya. Horizon's total Mineral Resources now stand at:

- 22.6Mt grading 1.71g/t Au for 1.24 million ounces at various cut-off grades (with approximately 70% in the Measured and Indicated categories)

Current work at Cannon is focussed on obtaining all statutory approvals and contractor / JV partner selection for underground mining and ore haulage to a third-party toll mill, which all progressed during the half. All environmental approvals have been granted or are under assessment by the relevant government department. Horizon has a toll mill allocation of 200,000 tonnes through the Greenfields mill in Coolgardie as part of the sale agreement through divesting the Gunga West project to FMR Investments. Cannon is planned to be developed in the December 2023 half.

During the half-year 31 December 2022, the Company continued the evaluation of the Penny's Find deposit on a 100% ownership basis and completed first pass optimisation, mine designs and economic assessment. The internal review and results from the latest drilling highlighted the potential to grow the production profile with infill drilling to convert the Inferred material to Indicated in the western domain and extension drilling along strike to the north and, particularly at depth below the current resource envelope, with Reverse Circulation (RC) and diamond drilling planned in the June half 2023 enabling compilation of an updated MRE and completion of the Pre-Feasibility Study (PFS) thereafter.

## Directors' Report

### Exploration and Development Activities (continued)

#### 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.

The FS work was carried out 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. Limited work was completed on Nimbus during the half as the Company focused on gold – nickel exploration and underground development activities.

#### 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**

During August 2021, 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 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.

Horizon demerged its 25% interest in the Richmond Vanadium Project merging it with RVT’s 75% now held by RVT. RVT announced its intention to list on the ASX and was successful during December 2022 listing on the ASX.

## Directors' Report

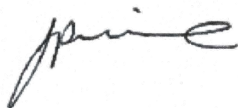
### Exploration and Development Activities (continued)

RVT had commenced offtake discussions with various potential offtake partners in conjunction with assessing the way forward in relation to the project. The result was a strategic partnership to develop both vanadium mining and vanadium redox flow battery manufacturing. A proposed investment of up to \$5 million was announced as part of the prospectus and a Subscription Agreement for \$3 million was signed on 28 February 2023. Under the terms of the Agreement (refer Prospectus dated 14 October 2022 and Supplementary Prospectus dated 21 October 2022 released to ASX on 9 December 2022), UPS will purchase vanadium pentoxide flake from Richmond Vanadium Technology, subject to availability and timeliness of delivery, quality, and price.

### 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**  
**Managing Director**  
9 March 2023

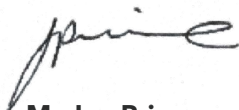
## Directors' Declaration

In the Directors' opinion:

- 1) The financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- 2) The attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- 3) There are reasonable grounds to believe that the Company 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 2023

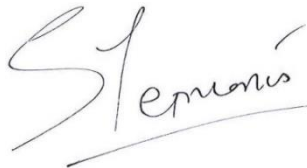


AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF HORIZON MINERALS LIMITED

In relation to our review of the financial report of Horizon Minerals Limited for the half year ended 31 December 2022, 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

9 March 2023  
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 2022, 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 2022, 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 2022, 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.

#### Material Uncertainty Related to Going Concern

Without qualifying our conclusion, we draw attention to Note 1 in the financial report which indicates that the Group had negative operating cashflow of \$(3,046,737). These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial 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.

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### 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.

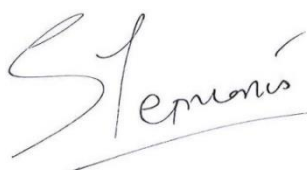
### Auditor's Responsibilities for the Review of the Financial Report

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 2022 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  
PARTNER9 MARCH 2023  
WEST PERTH,  
WESTERN AUSTRALIA

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

	Note	Consolidated	
		December 2022 \$	December 2021 \$
<b>Continuing Operations</b>			
Gold sales		6,560	2,339,501
Gold royalty		-	-
Interest income		7,148	7,521
Gain on demerger	14	8,663,873	-
Other income	2(a)	489,259	1,960,450
Net gain on fair value changes of financial assets	2(c)	-	4,053,858
<b>Total revenue from continuing operations</b>		<b>9,166,840</b>	<b>8,361,330</b>
Cost of sales	2(b)	-	(1,428,069)
Depreciation expenses	2(b)	(48,035)	(168,408)
Exploration and evaluation expenditure	2(b)	(894,842)	(876,164)
Employee benefits expense		(1,060,447)	(1,029,266)
Share based payments	11	(101,242)	(196,544)
Building and occupancy costs		(51,072)	(45,293)
Consultancy and professional fees		(662,373)	(155,532)
Interest expenses and finance charges	7	(190,398)	(41,434)
Net loss on fair value changes of financials assets	2(c)	(3,972,224)	-
Other expenses		(438,832)	(674,015)
<b>Profit/ (Loss) from continuing operations before income tax</b>		<b>1,747,375</b>	<b>3,746,605</b>
Income tax (expense)/benefit		-	-
<b>Profit/ (Loss) for the period</b>		<b>1,747,375</b>	<b>3,746,605</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>Profit/ (Loss) for the period and total comprehensive income attributable to owners of Horizon Minerals Limited</b>		<b>1,747,375</b>	<b>3,746,605</b>
Basic earnings/ (loss) per share		0.28 cents	0.66 cents
Diluted earnings/ (loss) per share		0.28 cents	0.66 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 2022

	Note	Consolidated	
		December 2022 \$	June 2022 \$
<b>Current Assets</b>			
Cash and cash equivalents		1,431,633	5,406,635
Trade and other receivables	5	1,029,279	1,264,542
<b>Total Current Assets</b>		<b>2,460,912</b>	<b>6,671,177</b>
<b>Non-Current Assets</b>			
Financial assets at fair value through profit or loss	3	6,041,251	2,328,475
Other assets		257,927	257,927
Property, plant and equipment		403,776	427,808
Exploration and evaluation expenditure	4	31,627,107	29,377,548
Right of use assets	6	55,317	79,024
Investments accounted for using the equity method		-	7,336,127
<b>Total Non-Current Assets</b>		<b>38,385,378</b>	<b>39,806,909</b>
<b>Total Assets</b>		<b>40,846,290</b>	<b>46,478,086</b>
<b>Current Liabilities</b>			
Trade and other payables		1,126,002	4,466,961
Lease liability	6	50,686	50,686
Employee entitlements		367,012	346,173
<b>Total Current Liabilities</b>		<b>1,543,700</b>	<b>4,863,820</b>
<b>Non-Current Liabilities</b>			
Lease liability	6	10,552	35,516
Borrowings	7	3,016,437	-
Rehabilitation provisions		1,454,401	1,454,400
Employee entitlements		143,363	124,350
<b>Total Non-Current Liabilities</b>		<b>4,624,753</b>	<b>1,614,266</b>
<b>Total Liabilities</b>		<b>6,168,453</b>	<b>6,478,086</b>
<b>Net Assets</b>		<b>34,677,837</b>	<b>40,000,000</b>
<b>Equity</b>			
Contributed equity	8(a)	62,918,523	70,089,303
Reserves	9	117,140	835,750
Accumulated losses		(28,357,826)	(30,925,053)
<b>Total Equity</b>		<b>34,677,837</b>	<b>40,000,000</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 \$	Share Based Payment Reserve \$	Accumulated Losses \$	Total Equity \$
<b>Balance at 1 July 2022</b>	70,089,303	835,750	(30,925,053)	40,000,000
<b>Comprehensive income for the half-year</b>				
Profit/ (Loss) for the half-year	-	-	1,747,375	1,747,375
<b>Total comprehensive income for the half-year</b>	-	-	1,747,375	1,747,375
<b>Transactions with owners in their capacity as owners:</b>				
Shares issued during the period	891,593	-	-	891,593
Shares issue costs	(62,373)	-	-	(62,373)
In-species return of capital	(8,000,000)	-	-	(8,000,000)
Performance rights vesting	-	101,242	-	101,242
Shared based payments reclassified to accumulated losses	-	(237,975)	237,975	-
Options expired reclassified to accumulated losses	-	(581,877)	581,877	-
<b>Balance at 31 December 2022</b>	<b>62,918,523</b>	<b>117,140</b>	<b>(28,357,826)</b>	<b>34,677,837</b>
<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 during the period	-	-	-	-
Shares issue costs	-	-	-	-
Performance rights vesting	-	196,544	-	196,544
Share based payments reclassified to accumulated losses	-	(207,388)	207,388	-
<b>Balance at 31 December 2021</b>	<b>66,426,399</b>	<b>736,159</b>	<b>850,935</b>	<b>68,013,493</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 2022 \$	December 2021 \$
<b>Cash flows from Operating Activities</b>		
ATO cash flow boost	-	-
Receipts from customers	63,238	16,034
Payments to suppliers and employees	(1,328,539)	(2,281,894)
Interest received	7,159	7,517
Income tax expense	-	-
Payments for exploration and evaluation expenditure	(1,795,155)	(758,007)
Payments for trial mine production costs	-	(1,428,069)
Proceeds from trial mine production sales	6,560	2,339,501
<b>Net cash outflow from operating activities</b>	<b>(3,046,737)</b>	<b>(2,104,918)</b>
<b>Cash flows from Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	36,182	-
Payments for property, plant and equipment	(26,680)	(144,068)
Proceeds from sale of investments	450,000	1,421,000
Payments for purchase of investments	-	(754,066)
Proceeds from sale of tenements	475,000	350,000
Payments for purchase of tenements	(3,226,800)	(2,500,000)
Payments for capitalised exploration and evaluation expenditure	(1,998,853)	(4,156,255)
<b>Net cash outflow from investing activities</b>	<b>(4,291,151)</b>	<b>(5,783,389)</b>
<b>Cash flows from Financing Activities</b>		
Proceeds from borrowings	2,938,523	-
Proceeds from issues of ordinary shares	668,393	-
Share issue costs	(62,373)	-
Interest paid	(2,276)	-
Borrowing costs	(154,417)	-
Payments for lease liability	(24,964)	(23,514)
<b>Net cash inflow from financing activities</b>	<b>3,362,886</b>	<b>(23,514)</b>
Net decrease in cash and cash equivalents	(3,975,002)	(7,911,821)
Cash and cash equivalents at the beginning of the half-year	5,406,635	11,315,965
<b>Cash and cash equivalents at the end of the half-year</b>	<b>1,431,633</b>	<b>3,404,144</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 2022 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 2022 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.

#### *Going concern*

The general purpose interim financial statements have been prepared on the basis of going concern which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. As disclosed in the interim financial statements, the Company incurred a profit of \$1,747,375 (31 December 2021: profit of \$3,476,605) and had cash outflows from operating activities of \$3,046,737 for the year ended 31 December 2022 (31 December 2021: outflows of \$2,104,918). As at that date, the Company had net current assets of \$917,212 (30 June 2022: net current assets of \$1,807,357) and continues to incur expenditure on its exploration tenements drawing on its cash balances. As at 31 December 2022 the Group had \$1,431,633 (30 June 2022: \$5,406,635) in cash and cash equivalents.

The ability of the Company and the Group to continue to pay its debts as and when they fall due is dependent upon the Company successfully raising additional share capital and ultimately developing its mineral properties.

The accounts have been prepared on the basis that the Company can meet its commitments as and when they fall due and can therefore continue normal business activities, and the realisation of assets and liabilities in the ordinary course of business. The Directors believe that they will continue to be successful in securing additional funds through equity issues as and when the need to raise working capital arises.



## Notes to the Financial Statements

### 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	224,219	85,882
Profit on sale of tenement interest	300,000	-
Profit/(loss) on sale of investments	(15,000)	1,082,848
Diesel fuel rebate	-	14,073
Other income/(loss)	(19,960)	777,647

**489,259**

**1,960,450**

**(b) Expenses**

Cost of sales		
Mining & processing costs	-	(1,428,069)

Cost of sales	-	(1,428,069)
---------------	---	-------------

Depreciation	(48,035)	(168,408)
Exploration and evaluation expenditure	(894,842)	(876,164)
Defined contribution superannuation expense	(66,192)	(63,400)

**(c) Significant Items:**

Net change in fair value of financial assets		
Increase/ (decrease) in net market value of shares and options in listed companies	(3,972,224)	4,053,858

**December  
2022  
\$**

**June  
2022  
\$**

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

Shares and options in listed companies at market value

6,041,251      2,328,475

#### Movements in Financial Assets at Fair Value Through Profit or Loss

Opening balance	2,328,475	4,236,200
Shares acquired	8,150,000	1,799,066
Additions	-	500,000
Disposals	(465,000)	(2,360,791)
Net change in fair value	(3,972,224)	(1,846,000)

**Closing balance**

**6,041,251**

**2,328,475**

## Notes to the Financial Statements

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

During the half year ended 31 December 2022, the Group incurred and capitalised the following exploration, evaluation and development expenditure:

##### Exploration and evaluation phase

	December 2022 \$	June 2022 \$
Carrying amount at beginning of period	29,377,548	48,931,342
Capitalised during the period	1,624,559	7,613,852
Transfer to equity investment	-	(1,124,778)
Purchases of tenements	950,000	5,000,000
Sale of tenements	(325,000)	(25,000)
Impairment	-	(31,017,868)
<b>Carrying amount at end of period</b>	<b>31,627,107</b>	<b>29,377,548</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	-	-
Capitalised during the period	-	-
Mine production costs expensed	-	-
<b>Carrying amount at end of period</b>	<b>-</b>	<b>-</b>
<b>Total exploration and mine properties</b>	<b>31,627,107</b>	<b>29,377,548</b>

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	256,196	93,222
Other receivables – ATO receivables	-	-
Other receivables – sale of tenement – deferred payment*	500,000	800,000
Prepayment and other receivables	255,983	354,209
Accrued interest	-	11
Term deposit – bonds & credit card security deposit	17,100	17,100
	<b>1,029,279</b>	<b>1,264,542</b>

## Notes to the Financial Statements

### 5 Trade and Other Receivables (continued)

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

During the period to 31 December 2022, the Company received \$300,000 being the second of three deferred payments 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 in lieu of shares and the final tranche of \$200,000 will be paid in Cyprium shares on a decision to mine from the tenure. The shares are based on a 20 days VWAP.

The Company also recognised a \$300,000 receivable as final consideration for the 100% divestment of its interest in the Gunga West gold project to FMR Investments Pty Ltd (ASX: FMR) during the year ended 30 June 2022.

### 6 Right-of-use Asset and Lease Liability

*Amounts recognised in the consolidated statement of financial position*

#### Right-of-use asset

*Property – head office lease*

Opening balance

221,266

221,266

Amortisation

(165,949)

(142,242)

Closing balance

55,317

79,024

#### Lease liability

Opening balance

86,202

133,943

Lease payments

(27,240)

(54,479)

Interest expense

2,276

6,738

Closing balance

61,238

86,202

Current lease liability

50,686

50,686

Non-current lease liability

10,552

35,516

Total lease liability

61,238

86,202

*Amounts recognised in the consolidated statement of profit or loss*

#### Amortisation of right-of-use asset

*Property – office lease amortisation*

165,949

142,242

**165,949**

**142,242**

The total cash outflow for the lease in the six months to 31 December 2022 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 2022 \$	June 2022 \$
<b>7 Borrowings</b>		
Loan funds borrowed	2,938,523	-
Accrued interest	22,457	-
Unrealised foreign exchange losses	55,457	-
	<b>3,016,437</b>	<b>-</b>

## 8 Contributed Equity

	December 2022 No.	June 2022 No.	December 2022 \$	June 2022 \$
<b>(a) Share capital</b>				
Opening Balance	612,419,645	567,975,200	70,089,303	66,426,399
Placement	-	44,444,445	-	4,000,000
SPP	5,995,459	-	539,593	-
SPP Shortfall	1,431,111	-	128,800	-
Labyrinth Resources Ltd	3,000,000	-	223,200	-
In-species return of capital – RVT	-	-	(8,000,000)	-
Capital raising costs	-	-	(62,373)	(337,096)
<b>Total Contributed Equity</b>	<b>622,846,215</b>	<b>612,419,645</b>	<b>62,918,523</b>	<b>70,089,303</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 2022	12,000,000	12,000,000	24,000,000
Expired during the period	(12,000,000)	(12,000,000)	(24,000,000)
Exercised during the period	-	-	-
<b>Balance at 31 Dec 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Notes to the Financial Statements

### 8 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 2021	12,000,000	12,000,000	24,000,000
Expired during the period	-	-	-
Exercised during the year	-	-	-
<b>Balance at 30 June 2022</b>	<b>12,000,000</b>	<b>12,000,000</b>	<b>24,000,000</b>

On 30 September 2022, the expiry of 24,000,000 options originally issued as an addition to external financing obtained during the year ending 30 June 2020 resulted in a reclassification of \$581,877 to reserves. Further details are contained in Note 10.

### (c) Performance Rights

As at 31 December 2022, there were 3,533,334 performance rights on issue that, if the vesting conditions are met, could result in the issue of 3,533,334 ordinary shares in the Company. Further details are contained in Note 10.

### 9 Reserves

	December 2022 \$	June 2022 \$
Opening balance	835,750	747,003
Performance rights issued during the year	101,242	296,135
Share based payments reclassified to profit and loss	(237,975)	(207,388)
Options reclassified to profit and loss	(581,877)	-
	<b>117,140</b>	<b>835,750</b>

## Notes to the Financial Statements

### 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 2022</b>			
Revenue	-	6,560	6,560
<b>Profit/(loss) before Income tax</b>	<b>-</b>	<b>5,712,451</b>	<b>5,712,451</b>
<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 2022</b>			
<b>Total Segment Assets</b>	<b>241,920</b>	<b>33,131,486</b>	<b>33,373,406</b>
<b>30 June 2022</b>			
<b>Total Segment Assets</b>	<b>1,249,802</b>	<b>37,493,174</b>	<b>38,742,976</b>

	December 2022 \$	December 2021 \$
<b>Segment profit/(loss)</b>		
Segment profit/(loss) reconciles to profit/(loss) before income tax as follows:		
Segment profit/(loss) before income tax	5,712,451	(314,774)
Interest revenue	7,148	7,521
Unallocated costs net of other revenue consisting of:		
Net change in fair value on financial assets at fair value through profit and loss	(3,972,224)	4,053,858
<b>Profit/(loss) before income tax</b>	<b>1,747,375</b>	<b>3,746,605</b>
<b>Segment assets</b>		
Segment assets reconcile to total assets as follows:		
Unallocated assets	7,472,884	12,830,116
<b>Total assets</b>	<b>40,846,290</b>	<b>73,625,186</b>

## Notes to the Financial Statements

### 11 Share Based Payments

As at 31 December 2022, 3,533,333 Class I performance rights were cancelled.

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 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 2022, \$101,242 was expensed as a share based payment in respect of Class I and J performance rights, with the fair value being recognised over the vesting period. As at 31 December 2022, a total of 3,533,334 performance rights remain unvested.

## Notes to the Financial Statements

### 11 Share Based Payments (continued)

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

	Expired Class I.1	Class J.1	Total
Number granted	1,550,000	1,550,000	<b>3,100,000</b>
Grant date	26-Nov-20	26-Nov-20	
Expiry date of milestone achievements	31-Dec-22	31-Dec-23	
Share price hurdle	25 cents	30 cents	
Fair value per right*	0.0741	0.0782	
Total fair value that would be recognised over the vesting period if rights are vested	114,855	121,210	<b>236,065</b>
	Class I.2	Class J.2	Total
Number granted	1,500,000	1,500,000	<b>3,000,000</b>
Grant date	26-Nov-20	26-Nov-20	
Expiry date of milestone achievements	31-Dec-22	31-Dec-23	
Share price hurdle	25 cents	30 cents	
Fair value per right*	0.0627	0.0675	
Total fair value that would be recognised over the vesting period if rights are vested	94,050	101,250	<b>195,300</b>



## Notes to the Financial Statements

### 11 Share Based Payments (continued)

	Class I.3	Class J.3	Total
Number granted	333,333	333,334	<b>666,667</b>
Grant date	26-Nov-20	26-Nov-20	
Expiry date of milestone achievements	31-Dec-22	31-Dec-23	
Share price hurdle	25 cents	30 cents	
Fair value per right*	0.0663	0.0714	
Total fair value that would be recognised over the vesting period if rights are vested	22,100	23,800	<b>45,900</b>
	Class I.4	Class J.4	Total
Number granted	50,000	50,000	<b>100,000</b>
Grant date	30-Aug-21	30-Aug-21	
Expiry date of milestone achievements	31-Dec-22	31-Dec-23	
Share price hurdle	25 cents	30 cents	
Fair value per right*	0.0436	0.0554	
Total fair value that would be recognised over the vesting period if rights are vested	2,180	2,770	<b>4,950</b>

## Notes to the Financial Statements

### 11 Share Based Payments (continued)

	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	
Expiry date of milestone achievements	31-Dec-22	31-Dec-23	
Share price hurdle	25 cents	30 cents	
Fair value per right*	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 2022	(3,533,333)	-	<b>(3,533,333)</b>
Number remaining at 31 December 2022	-	3,533,334	<b>3,533,334</b>
Amount expensed in December 2022	58,897	42,345	<b>101,242</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 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
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

## Notes to the Financial Statements

### 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.

### 13 Subsequent Events

- (a) On 17 January 2023, the Company divested its remaining interest of 37,088,333 shares in Kingwest Resources Ltd (ASX: KWR) through a managed off-market sale process and received cash proceeds totaling \$1.3 million. Proceeds from the sale, together with existing cash, will be applied towards the CY2023 exploration program which will commence in the March 2023 quarter.
- (b) On 1 March 2023, the Company extended the escrow period for a further 6 months to 30 August 2023 of 3,000,000 ordinary shares planned to be released from escrow on 28 February 2023. The shares will be released to Labyrinth Resources Ltd (ASX: LRL) as part of the acquisition for the remaining 50% of Penny's Find gold mine.

There are no other matters or circumstances that have arisen since 31 December 2022 that have or may significantly affect the operations, results, or state of affairs of the Group in future financial periods.

## Notes to the Financial Statements

### 14 Gain on Demerger of Associate

On 5 December 2022, Richmond Vanadium Technology Pty Ltd (RVT) was demerged from the Horizon Minerals Limited Consolidated Group (Horizon), following approval by Horizon Shareholders at the Annual General Meeting held on 17 November 2022. Existing Horizon shareholders received shares in RVT on a 1 RVT share for every 31.1391 Horizon shares held (in-specie distribution) resulting in an associated reduction in share capital of \$8,000,000. The number of shares issued with the in-specie distribution was 20,000,000 at the determined share price of \$0.40 per share (same as at initial public offering of RVT). The share price at demerger of RVT was determined to be \$0.40 per share (same as at initial public offering of RVT) resulting in a realised gain of \$8,663,873.

<b>Carrying value of net assets of demerged entity</b>	<b>31 December 2022</b>
<b>Assets</b>	
Cash and cash equivalents	23,365,839
Trade and other receivables	112,031
Other assets	30,001
Property, plant and equipment	97,083
Exploration and evaluation expenditure	26,219,055
	<b>49,824,009</b>
<b>Liabilities</b>	
Trade and other payables	(1,248,176)
Other liabilities	(155,396)
	<b>(1,403,572)</b>
<b>Net assets</b>	<b>48,420,437</b>