

HORIZON AND METAL HAWK SIGN YARMANY WEST OPTION AND SALE AGREEMENT

Horizon Minerals Limited (ASX: HRZ) (“Horizon” or “the Company”) is pleased to advise that it has entered into a binding option and sale deed (“Option”) with Metal Hawk Limited (ASX: MHK) (“Metal Hawk” or “MHK”) to purchase an interest in seven tenements within the Company’s Yarmany project area (“Tenements”).

The Option relates to all mineral rights over seven Exploration Licences covering an area of 98 blocks approximately 40 kilometres west of Kalgoorlie. The Option provides for the following:

- MHK paying Horizon a \$400,000 non-refundable option fee within five days of signing the Option, comprising \$200,000 in cash and \$200,000 in MHK shares, with the number of shares determined by the 20-Day VWAP prior to execution
- MHK must incur at least \$1.0m of on ground exploration expenditure on the Tenements prior to exercising the Option, which has a term of 24 months
- MHK may withdraw from the Option with 30 days notice, or allow the Option to lapse, after incurring a minimum of \$500,000 of exploration expenditure, with all tenure remaining 100% owned by Horizon in those circumstances
- If MHK exercises the Option, then at Horizon’s election, Horizon may:
 - Sell 100% of its interests in the Tenements to MHK for \$1.0m completion consideration, with this consideration to be settled in either cash, shares or any combination of both at MHK’s election; or
 - Sell 80% of its interests in the tenements to MHK and forego the completion consideration, but retain a 20% interest free carried to a decision to mine at which time a Joint Venture (JV) will be formed with MHK
- MHK shall have a licence to explore for minerals on the Tenements during the Option period and must meet annual expenditure commitments and keep the Tenements in good standing
- All MHK Option fee shares, and completion consideration shares issued, shall be subject to voluntary escrow of six months

Commenting on the Option, Horizon Chief Executive Officer Mr Grant Haywood said:

“The option and sale agreement is a positive outcome for both parties. It fits with Horizon’s strategy of focussing on gold assets we can bring into production and rationalising our large tenement holding where value can be realised by divesting non-core assets to capable groups who can take them forward. This transaction also strengthens our balance sheet and reduces our holding costs.”

“We have a strong relationship with Metal Hawk and, as a shareholder and potential JV partner, we wish them well in advancing this prospective early stage project.”

Schedule 1: Yarmany West Tenements

Tenement ID	Project	Holder	Size	Area (UOM)	Grant Date	Expiry date	EXPCOM
E15/1655	Yarmany	BMG	70	Blocks	17/07/2020	16/07/2025	70,000
E16/521	Yarmany	BMG	1	Blocks	22/11/2019	21/11/2024	10,000
E16/507	Yarmany	BMG	1	Blocks	6/02/2020	5/02/2025	10,000
E15/1723	Yarmany	BMG	12	Blocks	22/01/2020	21/01/2025	30,000
E16/503	Yarmany	BMG	11	Blocks	13/12/2018	12/12/2023	30,000
E16/506	Yarmany	BMG	1	Blocks	6/02/2020	5/02/2025	10,000
E16/591	Yarmany	BMG	2	Blocks	17/04/2023	16/04/2028	15,000
TOTAL			98				175,000

Note: BMG is Black Mountain Gold Limited, a wholly owned subsidiary of Horizon.

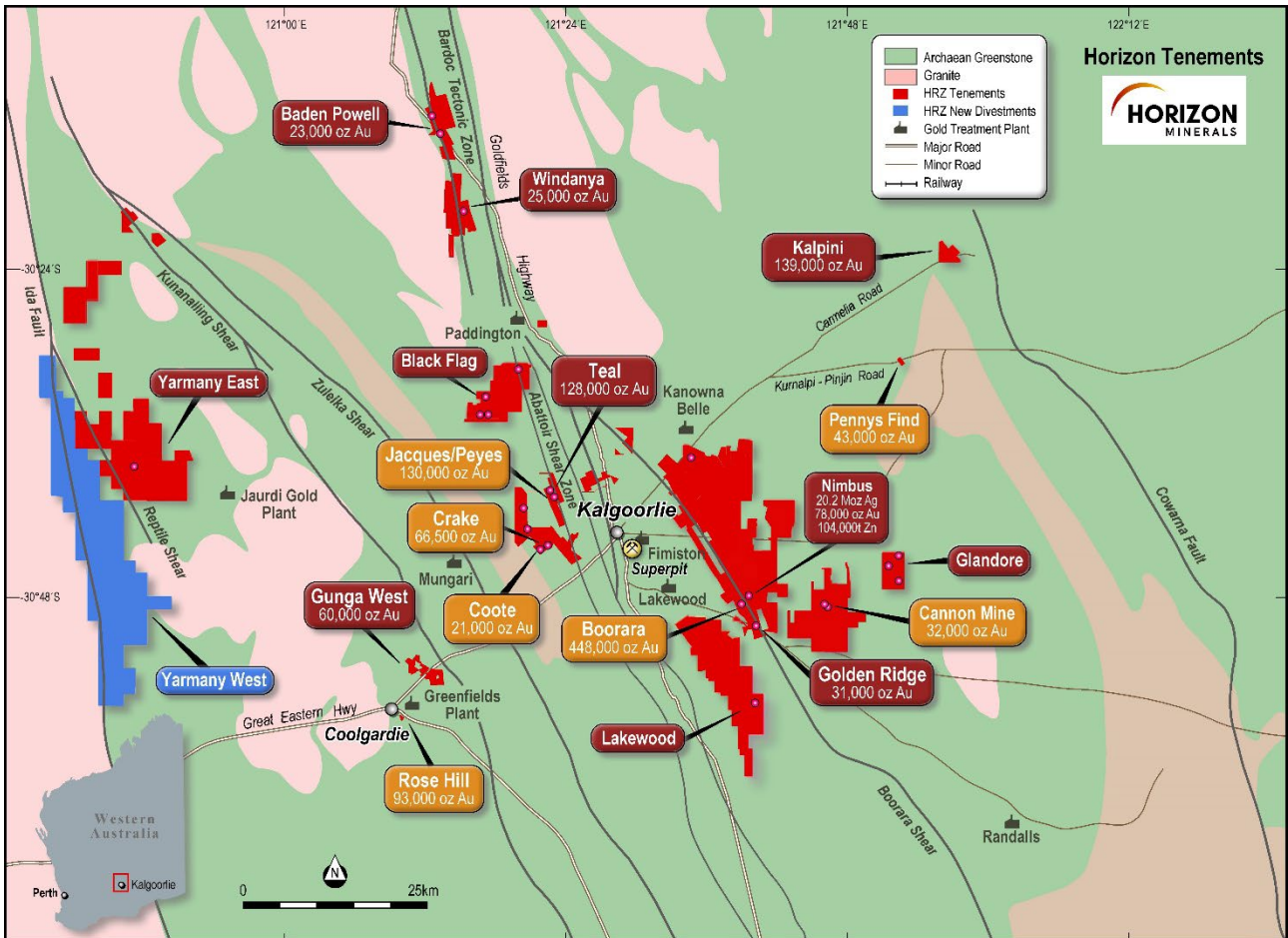


Figure 1: Horizon’s project area locations and surrounding infrastructure

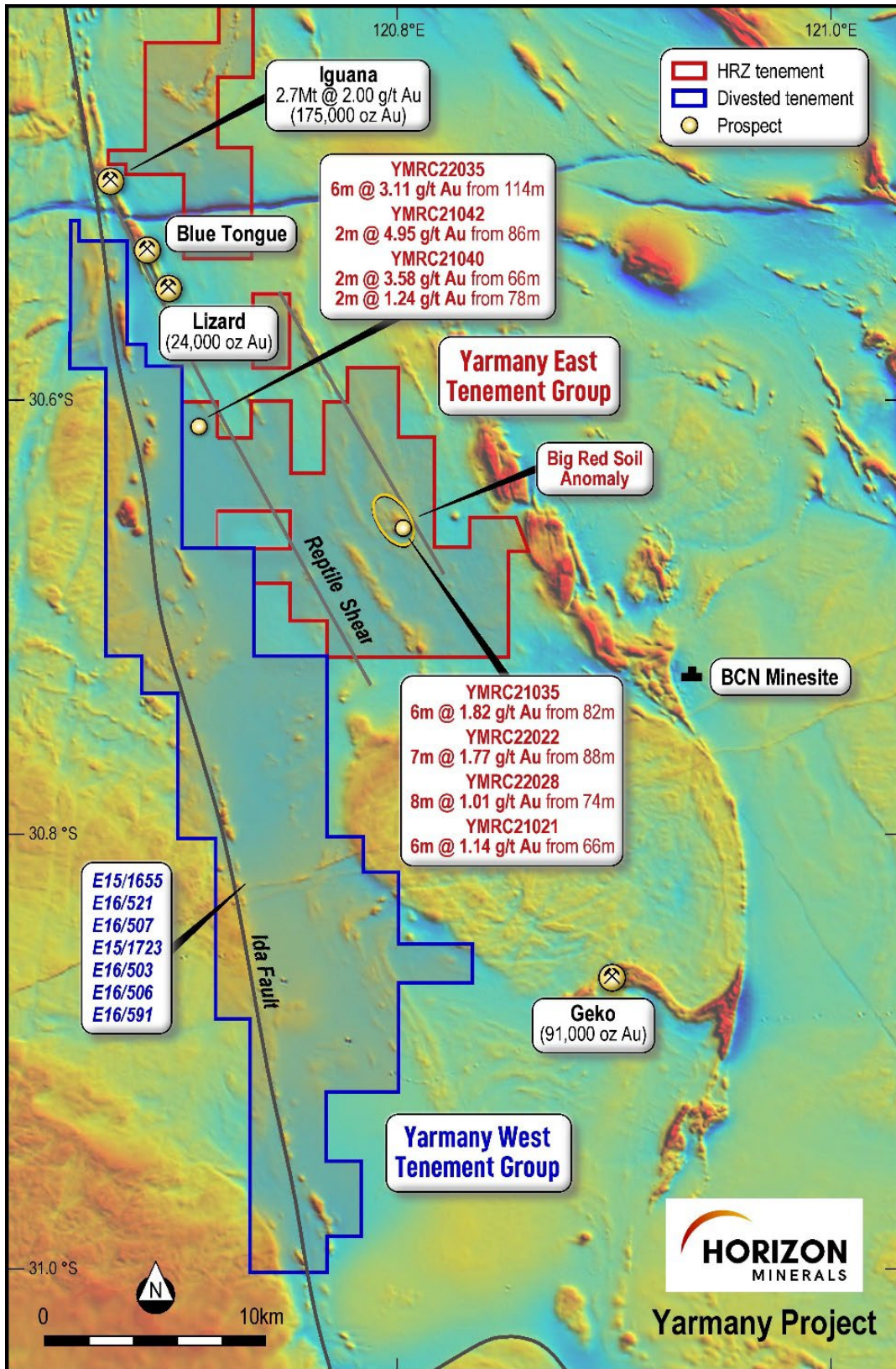


Figure 2: Yarmany Project Area

ASX ANNOUNCEMENT

Competent Person Statement

Information in this announcement that relates to exploration results is based on information compiled by David O'Farrell who is the Exploration Manager of Horizon Minerals. Mr O'Farrell is a Member of The Australian Institute of Mining and Metallurgists (AusIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking, to qualify as Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr O'Farrell consents to the inclusion in the document of the information in the form and context in which it appears.

Approved for release by the Board of Directors.

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