



# **HORIZON**

**MINERALS LTD**

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**2020**

**ANNUAL REPORT**

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## **About Horizon Minerals Limited**

Horizon is an emerging mid-tier gold producer with high quality projects located in the heart of the West Australian goldfields. The Company is led by a Board and Management team with deep experience developing and operating successful gold mines within the Kalgoorlie region.

Horizon has a large tenement holding which hosts over a million ounces of gold in Resources and has significant open cut and underground growth potential.

## **Corporate Governance**

The Company has adopted the 3rd Edition of the ASX Corporate Governance Recommendations. A summary statement which has been approved by the Board together with current policies and charters is available on the Company website at the following address [www.horizonminerals.com.au](http://www.horizonminerals.com.au).

# CORPORATE PARTICULARS

## BOARD OF DIRECTORS

<b>Chairman</b>	Ashok Parekh
<b>Managing Director</b>	Jonathan Price
<b>Non-Executive Director</b>	Peter Bilbe
<b>Non-Executive Director</b>	Jeff Williams (resigned 30 April 2020)

## CHIEF OPERATING OFFICER

Grant Haywood

## COMPANY SECRETARY

Bianca Taveira

## REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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NEDLANDS WA 6009

Telephone 08 9386 9534  
Email [info@horizonminerals.com.au](mailto:info@horizonminerals.com.au)

## POSTAL ADDRESS

PO Box 1104  
NEDLANDS WA 6909

## SHARE REGISTRY

Computershare Investor Services Pty Ltd  
Level 11  
172 St Georges Terrace  
PERTH WA 6000

Telephone 1300 787 272

## AUDITORS

Rothsay Auditing  
Level 1, Lincoln House  
4 Ventnor Avenue  
WEST PERTH WA 6005

Telephone 08 9486 7094

## STOCK EXCHANGE LISTING

Australian Securities Exchange  
Home Exchange: Perth  
Code: HRZ

# CHAIRMAN AND MANAGING DIRECTOR'S REVIEW

Dear Shareholder

The 2020 financial year has been one of significant growth for the Company and a year with improving sentiment and commodity prices for the resources sector in general.

With continuing concerns around the global economy, trade wars and increased geopolitical tension, the safe haven of gold has seen a marked increase in the US\$ gold price with current prices around the US\$1,750 per ounce mark. With the Australian dollar gold price holding between \$2,500-\$2,600 and the industry's focus on reducing costs of production, Australia is now globally competitive and attracting investment both domestically and internationally.

Locally, Western Australia and the goldfields region has had another exceptional year with the mid-tier producers reporting continued record production, cash balances and performance metrics putting them well and truly on the world stage. Whereas organic growth had been the focus in 2019, more corporate activity is now clearly evident with the larger cashed up companies completing major acquisitions both domestically and overseas. The trend of the larger companies entering joint ventures with smaller developers and explorers has also continued in what was a challenging capital market for juniors.

At the end of FY19, the Company successfully completed the merger with MacPherson Resources to form Horizon Minerals Ltd, a growing emerging mid-tier gold business in the heart of the Western Australian goldfields. The merger consolidated the large scale base load Boorara gold project with a number of high grade open pit and underground satellite projects all within 75km of Boorara. In December, the Company elected to withdraw from any further extensions in relation to the purchase of the Coolgardie gold project and reset its growth strategy centred on development of the current asset base.

The Company commenced work on a consolidated Feasibility Study with the aim of generating an initial 5 year mine plan to underpin the construction of a stand-alone processing plant at Boorara, 10km east of Kalgoorlie-Boulder. As part of this Study, a close spaced grade control drilling program was completed across Boorara enabling an updated model for trial mining of three starter pits at the Regal and Crown Jewel deposits. Contract mining commenced in May and toll milling in July at the nearby Lakewood Mill. The aim of the trial is to test the tonnage and grade uplift potential of the orebodies with tighter spaced drilling to de-risk the larger scale development being evaluated as part of the Feasibility Study due for completion in the June Quarter 2021.

A number of highly successful drilling campaigns were completed across the Company's existing and newly acquired tenure and our Resource position has grown to 1.1 million ounces of gold. Over 30,000m have been completed at Boorara, Binduli, Rose Hill, Windanya, Baden Powell, Scotia and Black Flag.

Drilling at the Binduli gold project had focussed initially on the Crake Prospect with excellent results released from two drilling campaigns enabling an updated resource to be released. Drilling was then completed at the Coote, Darter and Honeyeater prospects with larger scale follow up drilling programs planned for FY2021. Drilling at the Rose Hill project has delivered excellent high grade results with the project demonstrating both open pit and underground potential and the project considered a significant high grade feed source for the mine plan.

In line with our strategy of focussed gold development within close proximity to Boorara, the Company divested its interest in the Menzies and Goongarrie gold projects for a total consideration of \$8 million. Upside in the projects is retained through our significant shareholding in Kingwest Resources Ltd who acquired the assets.

The Company completed a number of acquisitions during the year to further consolidate assets on the major shear zones and now has a strong landholding including the newly granted Yarmany and Lakewood project areas and the Rose Hill and Brilliant North projects as part of a nil cost asset swap with Northern Star Resources Ltd.

Our non-gold joint venture partners progressed during the year as did discussions with new potential partners that can provide mutual benefit. The Joint Venture with RVT covering the world class 1.8Bt Richmond Vanadium project progressed well with a large scale drilling program completed, updated resource for Lilyvale and excellent metallurgical results as part of the Pre-Feasibility Study due for completion in the September Quarter 2020.

We'd like to take the opportunity to thank all our Board members including Mr Jeff Williams who retired during the year, staff, contractors and you, our shareholders, for your support during the year. A special thank you to Hamptons, BMGS, Golden Mile Milling, Cardno and our other operations team members on a fantastic job in delivering a successful second mining operation.

The Horizon team look forward to keeping you fully informed as the business grows in what will be another very exciting year ahead.

**JON PRICE**  
*Managing Director*

**ASHOK PAREKH**  
*Chairman*

30 September 2020, Perth, WA

# OPERATIONS REPORT

## CORPORATE

### ISSUED CAPITAL

At 30 June 2020, Horizon Minerals Limited had 452,975,200 fully paid ordinary shares on issue.

### COMPANY INVESTMENTS

At 30 June 2020, Horizon held 7,151,109 fully paid ordinary shares and 595,926 listed options exercisable at 24 cents on or before 30 June 2021 (ASX: RWDOA) in Reward Minerals Ltd (ASX: RWD) valued at approximately \$1,266,342.

The Company also held 20,000,000 shares in Kingwest Resources Ltd (ASX: KWR) valued at \$3M.

At 30 June 2020, the Company had cash on hand of approximately \$5.9M.

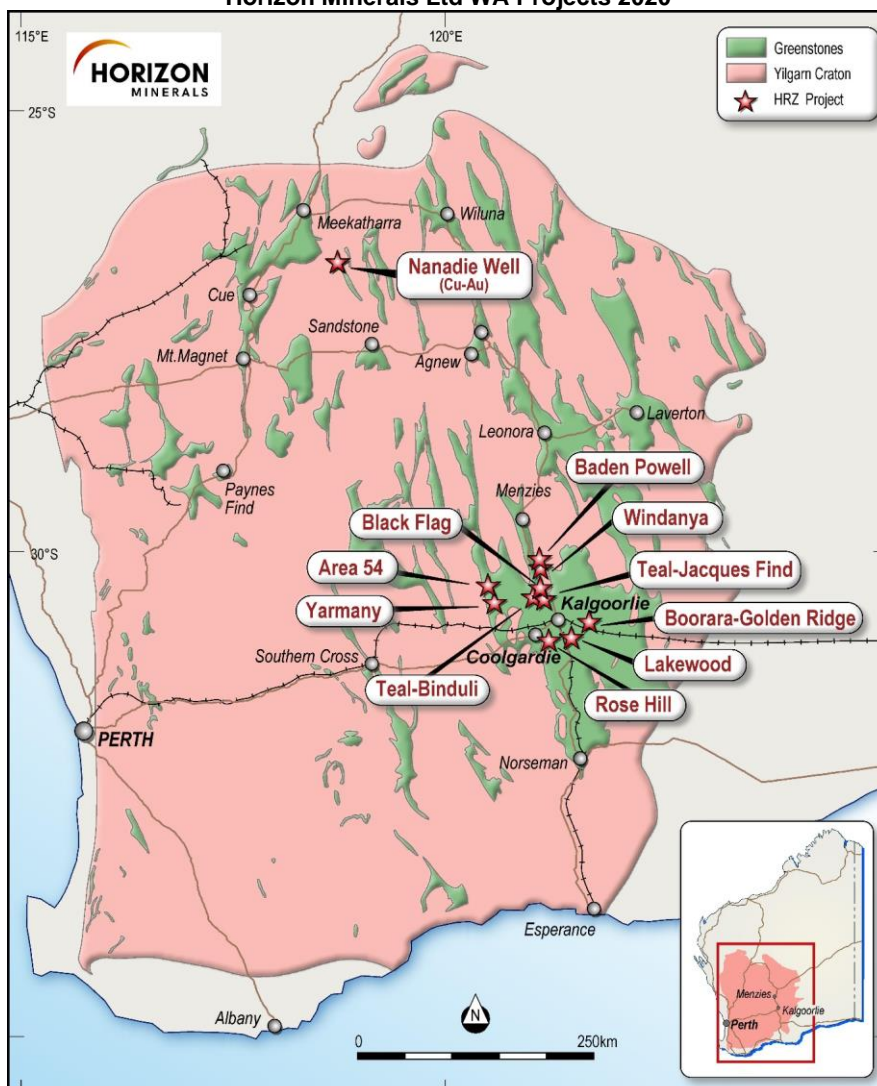
## EXPLORATION AND DEVELOPMENT

### OVERVIEW

The Company continued to advance and build up its gold project portfolio in Western Australia. In addition, the Company's joint venture partners were active across multiple earn in projects including the exciting Richmond vanadium project in Queensland. This year, trial mining operations at Boorara, mine evaluation and exploration were the main focus as part of the consolidated Feasibility Study and the regional drilling programs across the portfolio.

The locations of all WA projects are shown in Figure 1.

**Figure 1**  
**Horizon Minerals Ltd WA Projects 2020**



# OPERATIONS REPORT

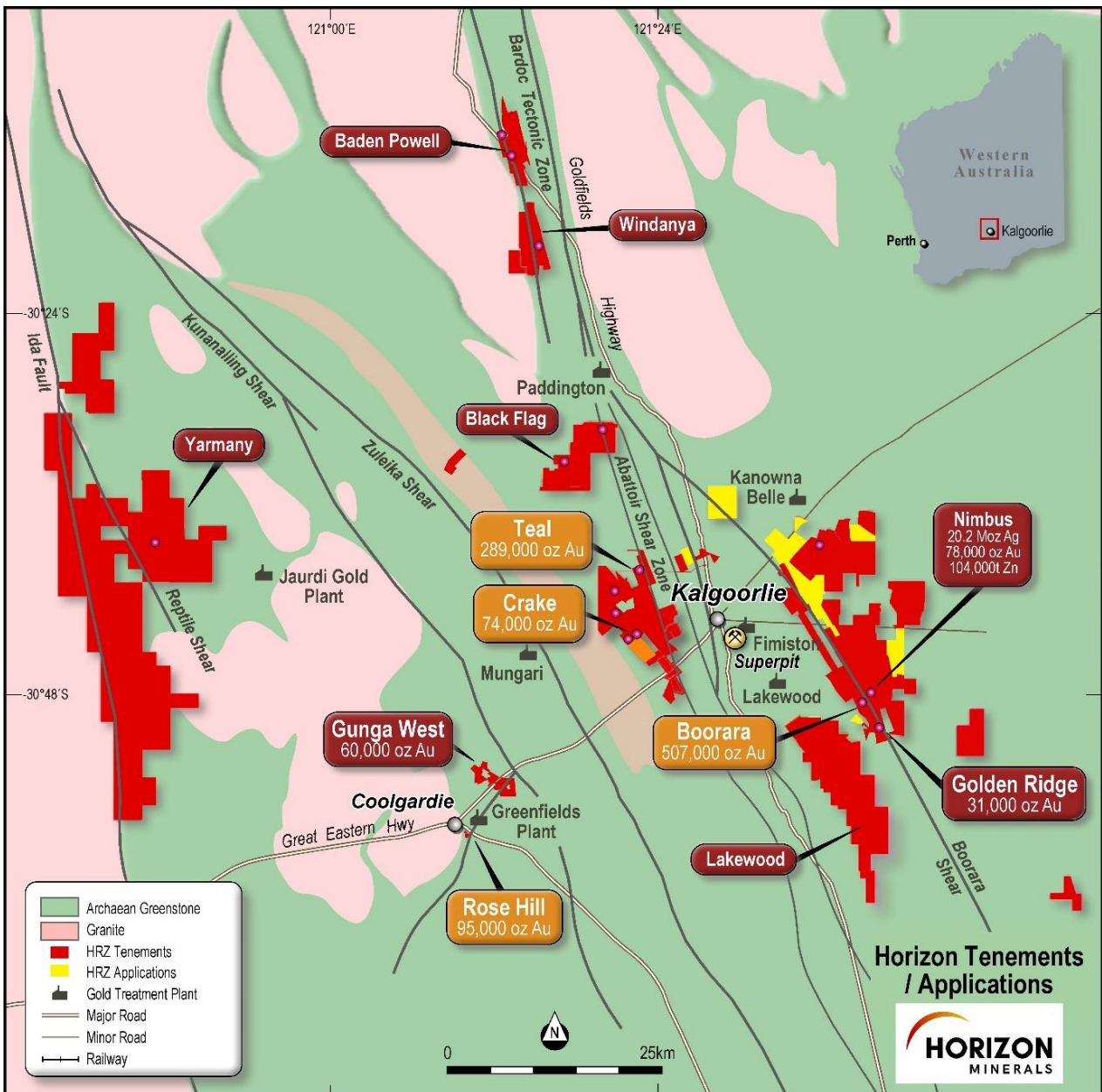
## EXPLORATION AND DEVELOPMENT

### OVERVIEW (continued)

The Company operates 100% owned gold projects in the Kalgoorlie and Coolgardie Regions and has an earn-in joint venture at the Richmond vanadium project located in Queensland. Over 30,000m of drilling was completed during the 2020 financial year.

New gold acquisitions to expand the Kalgoorlie and Coolgardie area portfolio included the Lakewood, Yarmany and Boorara gold projects (Figure 2). Technical programs on these projects included data compilation, exploration targeting, drilling, geological modelling and mine evaluation. Key activities conducted during the year are outlined below.

**Figure 2**  
**Horizon Minerals Ltd Kalgoorlie Area Gold Projects Location Map**





# OPERATIONS REPORT

## BOORARA GOLD PROJECT AREA

The Boorara project area comprises the 100% owned 507,000 ounce Boorara gold mine, the Golden Ridge project to the south and the Kanowna South and Balagundi prospects to the north (Figure 2). During the year, activities focussed on grade control drilling and mine development at the Regal, Crown Jewel and Royal deposits that make up the Boorara project.

## BOORARA GOLD PROJECT – MINING AND DEVELOPMENT

The Boorara gold mine is located 10km east of Kalgoorlie in Western Australia (Figure 2 and 4). Grade control drilling (18,000M) was completed in December 2019 on a 10m X 5m drill spacing enabling a detailed geological model to be compiled and mine optimisation and design studies to be completed. A positive Feasibility Study was released to the ASX on 10 February 2020 with mining contractor, necessary approvals and a toll milling agreement in place in May 2020. Three trial pits are to be mined, Regal East, Regal West and Crown Jewel over an 8 month period with toll milling to be completed at the nearby Lakewood processing plant through to January 2021.

The outcomes of the Feasibility Study are summarised in the Table below:

Measure	FS outcome (A\$2,400/oz)	FS outcome (A\$2,600/oz)
Total pit volume (MBCM)	0.520	0.520
Stripping ratio (waste: ore)	5.5	5.5
Mined ore (kt)	159	159
Gold grade (g/t)	1.86	1.86
Milling recovery average (%)	91.5	91.5
Recovered gold (ounces)	8,714	8,714
Capital costs (A\$M)	0.44	0.44
C1 costs (A\$/oz)	1,569	1,569
All in Sustaining Costs (AISC) (A\$/oz)	1,682	1,682
Free cash flow over 8 month mine life (A\$M)	5.4	7.1

Mining commenced (Figure 3) in May 2020 with 287,000 BCM mined by year end with approximately 61,000 tonnes of oxide and transitional ore mined at a fully diluted grade of 1.4g/t Au, in line with reserve model estimates for the upper oxide areas of the pits. The first Milling campaign commenced subsequent to year end in July 2020.

**Figure 3**  
**Horizon Minerals Ltd Mining commences at the Boorara gold mine Regal East pit**



# OPERATIONS REPORT

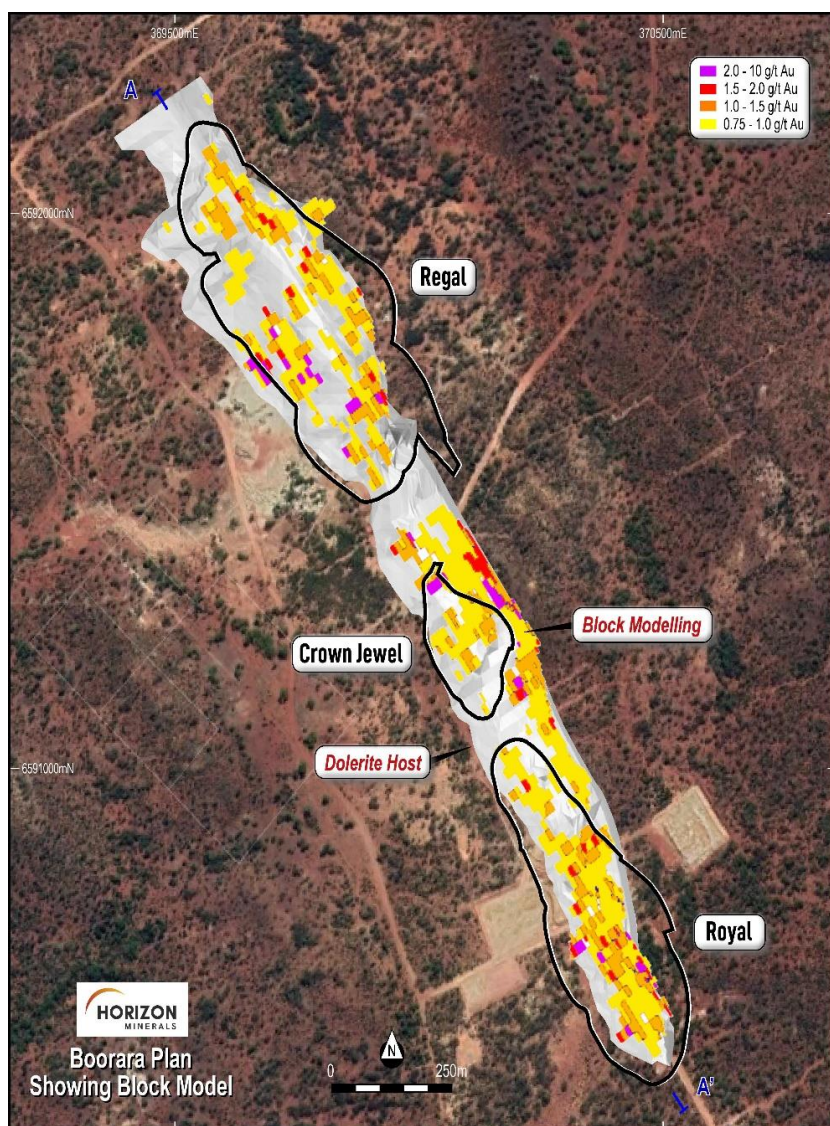
## BOORARA GOLD PROJECT – MINING AND DEVELOPMENT (continued)

The tightly spaced grade control drilling program was highly successful in delivering an uplift in tonnage and grade when compared to the global resource model (Figure 4) with a summary of results announced to the ASX on 14 and 21 January 2020 and including the following broad high grade zones of mineralisation:

- 6m @ 21.16g/t Au from 33m (BGC11147)
- 21m @ 2.65g/t Au from 17m (BGC10404)
- 29m @ 2.44g/t Au from 22m (BGC10475)
- 24m @ 2.17g/t Au from 1m (BGC10474)
- 9m @ 7.83g/t Au from 1m (BGC10377)
- 8m @ 6.61g/t Au from 19m (BGC11066)
- 10m @ 7.87g/t Au from 10m (BGC10379)
- 8m @ 5.85g/t Au from 17m (BGC10380)
- 8m @ 4.24g/t Au from 4m (BGC11115)
- 25m @ 3.08g/t Au from 15m (BGC11149)
- 21m @ 2.74g/t Au from 5m (BGC10526)
- 25m @ 2.10g/t Au from 15m (BGC11167)
- 25m @ 1.92g/t Au from 12m (BGC11148)
- 10m @ 6.84g/t Au from 12m (BGC10334)
- 4m @ 12.62g/t Au from 13m (BGC10363)
- 15m @ 4.73g/t Au from 14m (BGC11109)
- 13m @ 2.99g/t Au from 12m (BGC11132)
- 10m @ 3.29g/t Au from 8m (BGC11107)

Figure 4

Horizon Minerals Ltd Plan view of the Regal, Royal and Crown Jewel deposits



On completion of the trial mining and mill reconciliations in the March Quarter 2021, an updated resource model will be compiled for Boorara enabling generation of reserves for the consolidated Feasibility Study. Boorara base load feed is an integral part of the mine plan and will sit along-side the proposed Boorara Mill.

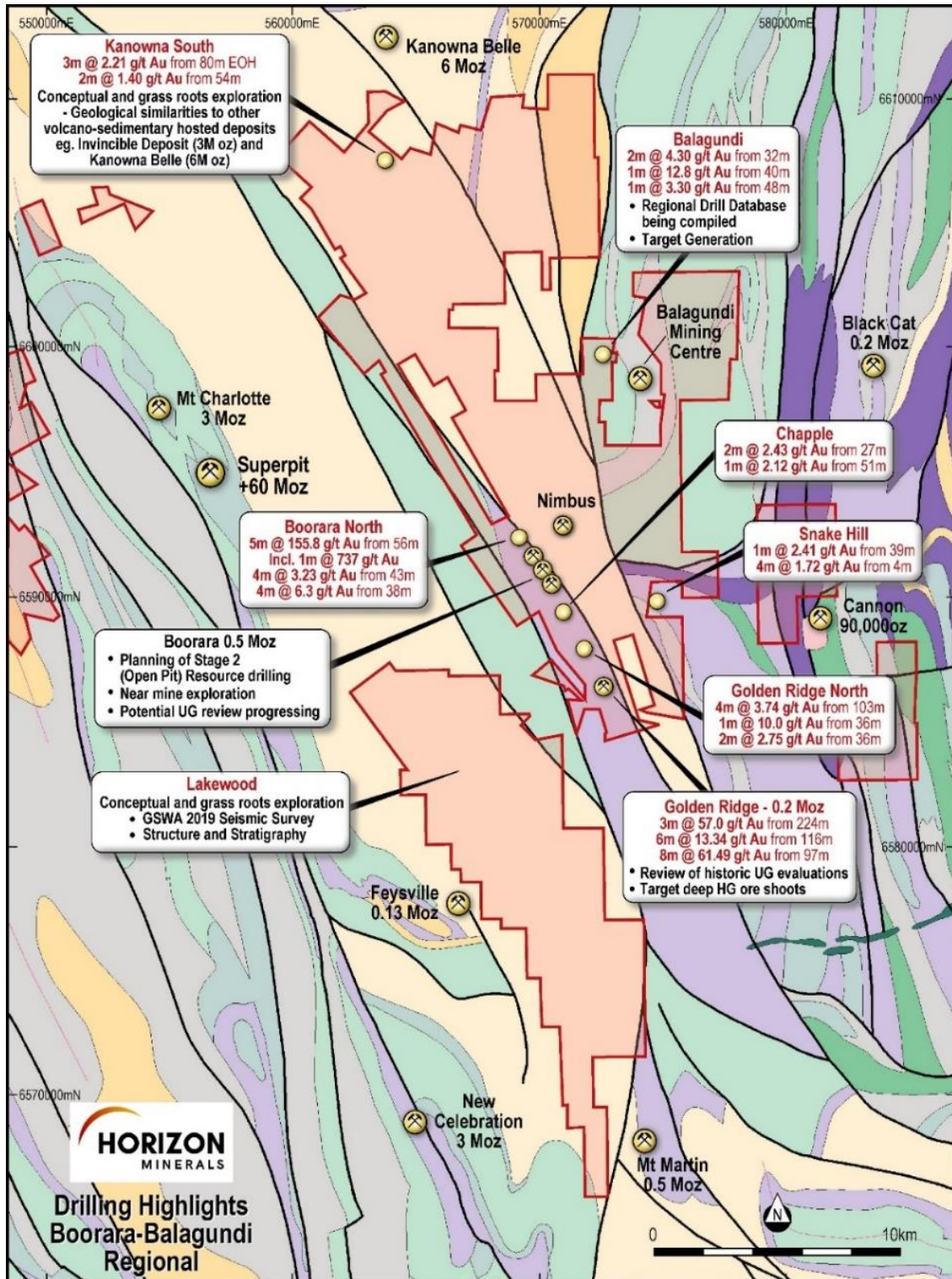


# OPERATIONS REPORT

## BOORARA GOLD PROJECT AREA – EXPLORATION

The current Boorara resource comprises 1.8km of strike and sits with in the greater Boorara area covering over 25km of strike length from Golden Ridge in the south to Kanowna and Balagundi to the north (Figure 5). During the year, a detailed target generation study was completed across the portfolio and a number of high priority drill targets identified in previously untested areas. Both near mine extension drilling and new discovery drilling is planned in FY2021 across both the Boorara and Lakewood project areas.

**Figure 5**  
Horizon Minerals Ltd Boorara project area, geology and historic drilling results



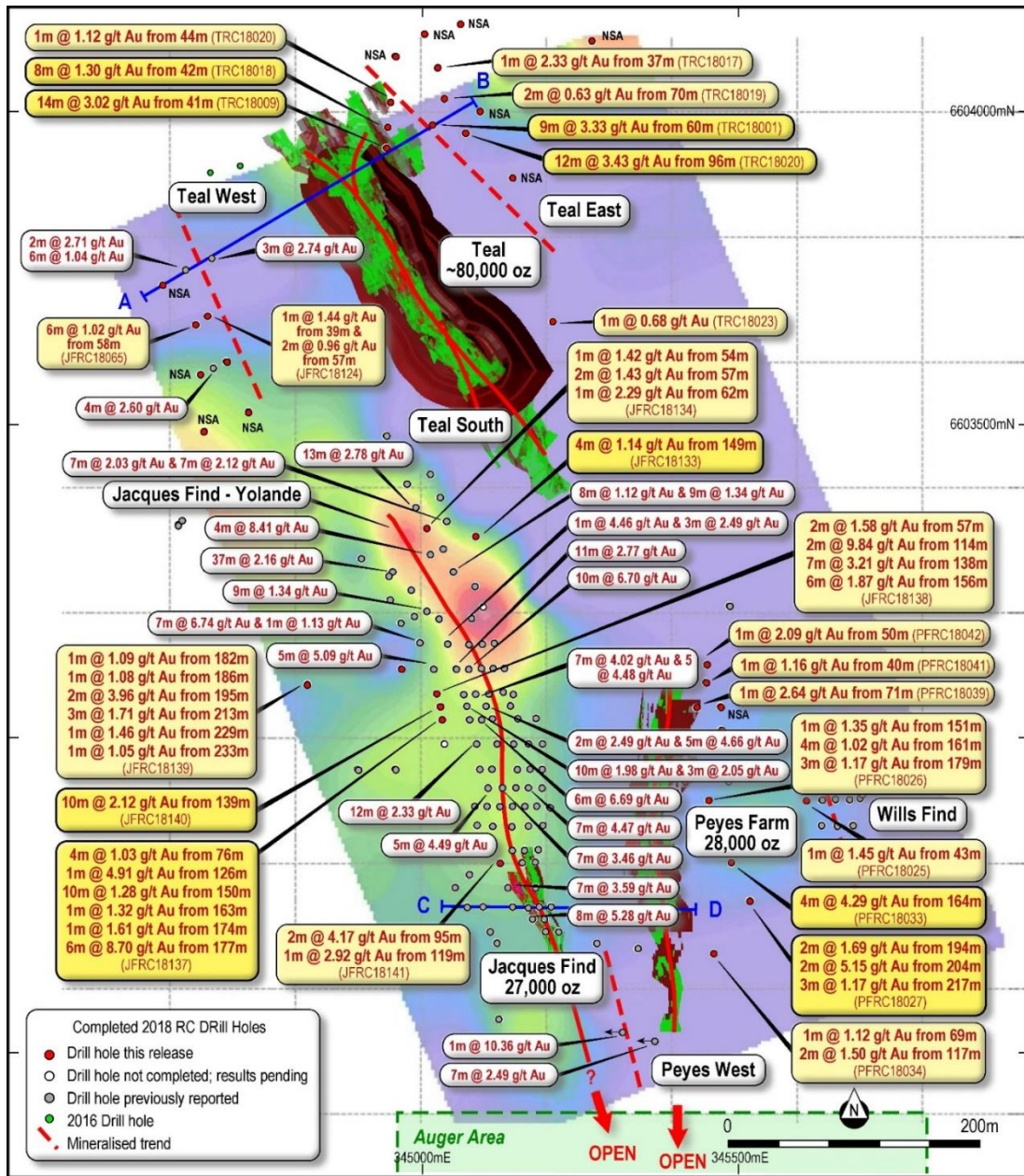
# OPERATIONS REPORT

## TEAL GOLD PROJECT AREA – EXPLORATION

The Teal project area comprises the 100% owned Teal, Jacques Find, Yolande and Peyes Farm projects and is located 12km northwest of Kalgoorlie and 22km from the proposed Boorara Mill (Figures 2 and 6).

Limited drilling was completed at the Teal project area during the year as the Company focussed on advancing the Boorara, Binduli and Rose Hill project areas. Technical work completed included resource model review, preliminary mining studies for Teal Stage 3, Jacques Find and Peyes Farm and planning for the FY2021 drilling program. This program will target additional high grade oxide and transitional open pit ore as demonstrated by the successful Teal Stages 1 and 2 developments completed in 2018 when the Company produced 22,000oz grading 3.2g/t Au and 94% recovery and generated \$7 million in free cash flow at a A\$1,650/oz gold price.

**Figure 6**  
Horizon Minerals Ltd Location Plan Teal-Jacques-Yolande drilling showing recent results



The current Mineral Resource estimate for the Teal project area stands at 4.25Mt grading 2.11g/t Au for 289,000 ounces (at a 1g/t lower cut-off grade) (see Table 1 and Competent Persons Statement on Page 17).



# OPERATIONS REPORT

## BINDULI GOLD PROJECT AREA – EXPLORATION

The Binduli project is located 10km west of Kalgoorlie – Boulder immediately adjacent to the Company's Teal project area (Figures 2 and 7).

In FY20, 1,224m of resource extension and new discovery drilling was completed within the project area following up the successful 2018 and 2019 programs. The majority of the drilling was completed at the Crake prospect with further regional reconnaissance drilling completed at the Coote, Darter and Honeyeater prospects.

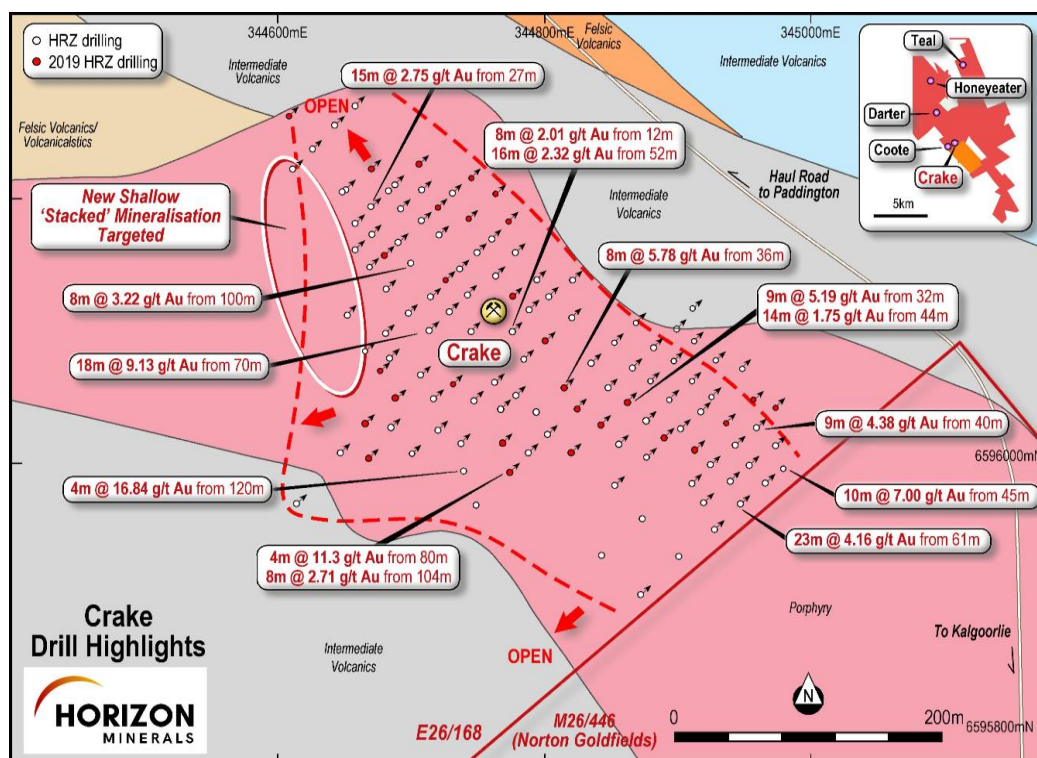
Results from Crake were announced to the ASX on 20 August and included:

- 3m @ 7.41g/t Au from 81m and 10m @ 1.78g/t Au from 102m (BRC19021)
- 5m @ 4.91g/t Au from 36m and 9m @ 1.58g/t Au from 65m (BRC19025)
- 3m @ 3.18g/t Au from 14m and 4m @ 2.47g/t Au from 55m (BRC19031)
- 3m @ 1.28g/t Au from 10m, 1m @ 2.91g/t Au from 17m, 1m @ 2.13g/t Au from 25m, 1m @ 5.19g/t Au from 32m and 14m @ 1.75g/t Au from 44m (BRC19012)
- 12m @ 1.65g/t Au from 32m (BRC19010)
- 10m @ 1.46g/t Au from 77m (BRC19029)
- 1m @ 3.00g/t Au from 57m and 7m @ 2.78g/t Au from 97m (BRC19027)

The recent Crake results (Figure 7) showed good alignment with the current mineralisation model and gives greater confidence in the block model and grade. Most holes intersected +1g/t Au and finished within a barren volcanic footwall schist. Several eastern holes intersected shallower, up dip, mineralisation largely outside the resource area and warrants follow up drilling to help close it off.

Given the success to date at Binduli, the project has been elevated to one of the top four core projects being advanced by the Company in the Kalgoorlie region as part of the consolidated Feasibility Study.

**Figure 7**  
**Horizon Minerals Ltd Binduli gold project area showing recent drilling results**



As announced to the ASX on 10 December 2019, the new data was used to compile an updated independent Mineral Resource Estimate which is compliant with the JORC 2012 Code.

The maiden Mineral Resource Estimate for the Crake project stands at 1.27Mt grading 1.81g/t Au for 74,000 ounces (at a 1g/t Au lower cut-off grade) (see Table 1 and Competent Persons Statement on Page 17).

# OPERATIONS REPORT

## ROSE HILL GOLD PROJECT – EXPLORATION

The Rose Hill project is located 0.5km east of Coolgardie and 35km west of Kalgoorlie – Boulder (Figures 2 and 8) and was acquired as part of an asset swap completed with Northern Star Resources Ltd as announced to the ASX on 4 February 2020.

Since acquisition, the Company has completed a detailed review of the large geological data base comprising geochemical, geophysical and historic drilling datasets including additional drilling data retrieved to 500m depth and previous open pit and underground mine design work.

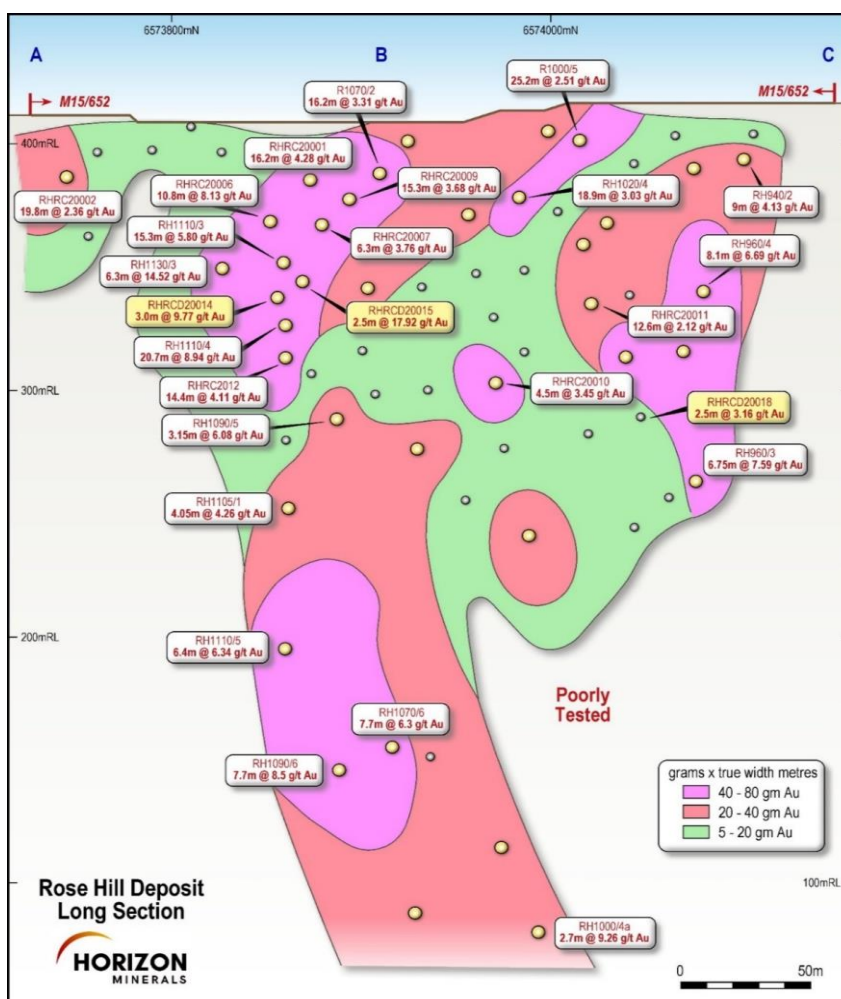
During FY20, the company completed two drilling programs for 1,600m comprising validation, infill and extensional RC and diamond programs to grow the current mineral resource and advance the project to reserve status.

Results from the programs were announced to the ASX on 4 February and 9 June 2020 and included:

- 11m @ 8.79g/t Au from 43m (RHRC2006)
- 10m @ 6.28g/t Au from 28m (RHRC20001)
- 16m @ 4.10g/t Au from 93m (RHRC20012)
- 7m @ 7.26g/t Au from 27m (RHRC20009)
- 7m @ 3.76g/t Au from 45m (RHRC20007)
- 3.4m @ 17.92g/t Au from 78.7m (RHRC20015)
- 3.7m @ 9.77g/t Au from 84.3m (RHRC20014)

Additional infill and extensional RC and diamond drilling is planned at Rose Hill in FY2021 with a focus on reserve conversion for potential open pit and underground mining as part of the initial 5 year mine pipeline.

**Figure 8**  
**Horizon Minerals Ltd Blister Dam gold project**





# OPERATIONS REPORT

## ROSE HILL GOLD PROJECT – EXPLORATION (continued)

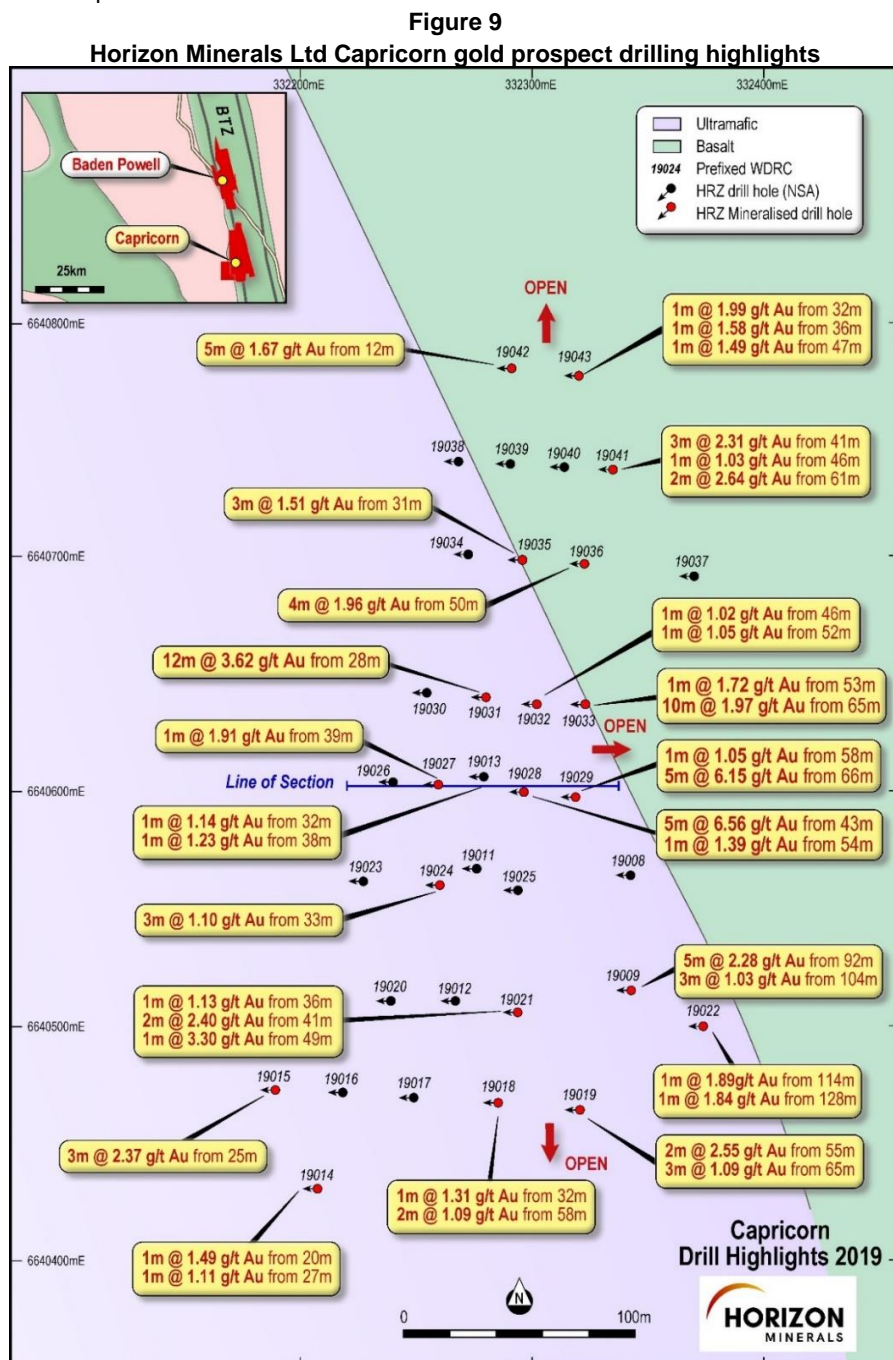
As announced to the ASX on 4 February 2020, the new data was used to compile an updated independent Mineral Resource Estimate which is compliant with the JORC 2012 Code.

The maiden Mineral Resource Estimate for the Rose Hill project stands at 1.2Mt grading 2.49g/t Au for 95,000 ounces (at a 0.7g/t Au lower cut-off grade) (see Table 1 and Competent Persons Statement on Page 17).

## BADEN POWELL AND WINDANYA GOLD PROJECTS – EXPLORATION

The 100% owned Windanya and Baden Powell project areas are located 45km and 60km northwest of Kalgoorlie respectively and sit within the highly prospective Bardoc Tectonic Zone (Figures 2 and 9).

During FY20, the company completed drilling programs totalling 4,020m following up from the successful reconnaissance programs completed in 2019. New mineralisation was discovered at the Capricorn prospect (Figure 9) as announced to the ASX on 12 November 2019 extending the known strike length to beyond 400m of strike with mineralisation open to the north, south and at depth.



# OPERATIONS REPORT

## BADEN POWELL AND WINDANYA GOLD PROJECTS – EXPLORATION (continued)

Results from the Capricorn programs (Figure 9) included:

- 12m @ 3.62g/t Au from 28m, including 1m @ 24.0g/t Au from 32m (WDR19031)
- 5m @ 6.56g/t Au from 43m including 1m @ 21.60g/t Au from 46m (WDR19028)
- 5m @ 6.15g/t Au from 66m including 1m @ 26.20g/t Au from 66m (WDR19029)
- 10m @ 1.97g/t Au from 65m (WDR19033)

At Baden Powell (Figure 10), extension drilling continued to intersect mineralisation proximal to historic workings to the north of the small Baden Powell open pit.

Results from the program as announced to the ASX on 12 November 2019 included:

- 6m @ 1.82g/t Au from 54m (BPRC19014)
- 5m @ 1.61g/t Au from 56m and 2m @ 1.10g/t Au from 70m (BPRC19011)
- 4m @ 1.57g/t Au from 29m (BPRC19013)
- 8m @ 2.79g/t Au from 76m\* (BPRC19028)
- 5m @ 2.67g/t Au from 12m (BPRC19022)
- 3m @ 5.73 g/t Au from 18m (BPRC19022)

**Figure 10**  
Horizon Minerals Ltd Baden Powell gold prospect drilling highlights



# OPERATIONS REPORT

## KALGOORLIE REGIONAL GOLD PROJECTS – EXPLORATION

During the year, first pass exploration drilling continued on our regional project areas with 911m drilled at the Black Flag, Scotia, Olympia with mineralisation intercepted at all projects. Follow up drilling is planned as part of the FY2021 exploration program.

In addition, significant field work, rock chip sampling, historic mine mapping, geochemical and geophysical reviews were undertaken to identify priority targets for drilling in FY2021. These prospects included Kanowna south, Balagundi, Golden Ridge, Nimbus, Lakewood, Yarmany, Windanya, Black Flag, Broads Dam and Silver Star.

Work completed on new acquisitions at Lakewood and Yarmany included data compilation, data base review and desk top geological studies. The resultant drilling programs will commence in FY2021 pending final granting of the leases. The low cost acquisitions have increased the Company's tenure to approximately 850km<sup>2</sup>.

## DIVESTMENT OF MENZIES AND GOONGARRIE GOLD PROJECTS

As announced to the ASX on 9 July 2019, the Company agreed to divest its 100% interest in the Menzies and Goongarrie gold projects to Kingwest Resources Ltd (ASX: KWR) ("Kingwest") for a total consideration of A\$8 million on the following terms:

- An initial deposit of \$750,000.
- On settlement:
  - A further \$1 million in cash; and
  - Issuing 20M ordinary shares in Kingwest to Horizon at a deemed issue price of \$0.15 per share subject to voluntary escrow from date of issue of (a) 18 months following settlement and (b) 3 months following the payment of the deferred consideration.
- A deferred payment no later than 18 months after settlement of:
  - A further \$1.625 million in cash; and
  - \$1.625m in value of shares in Kingwest at a deemed price being the lower of \$0.15 per share and the 30 day VWAP (subject to shareholder approval and Horizon not exceeding 19.9% ownership in Kingwest).

Horizon is now a substantial shareholder in Kingwest with Board representation and has a right to process or purchase any ore from the sale tenements under standard commercial terms. For further details on the divestment, please see the announcement of 9 July and 18 September 2019.

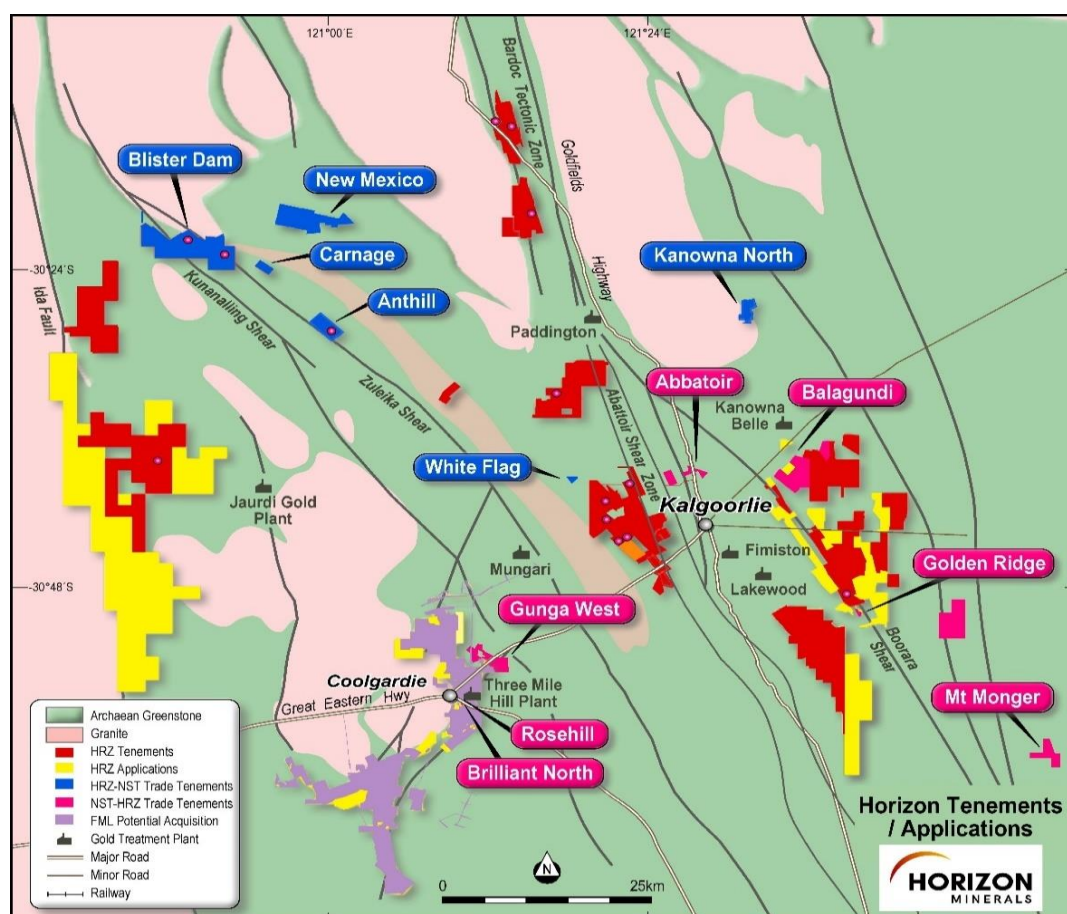
## DIVESTMENT OF ANTHILL AND BLISTER DAM GOLD PROJECTS

As announced to the ASX on 12 September 2019, the Company reached agreement with Northern Star Resources Limited ("Northern Star") to an exchange of tenements in the WA goldfields for no cash consideration. The transaction involved Horizon divesting its 100% interest in Anthill, Blister Dam, New Mexico, White Flag and Kanowna North tenements and the acquisition of 100% interest in Northern Star's Rose Hill, Brilliant North and Gunga West projects in Coolgardie and the Golden Ridge, Balagundi, Abattoir and Mt Monger projects in Kalgoorlie (Figure 11).

# OPERATIONS REPORT

## DIVESTMENT OF ANTHILL AND BLISTER DAM GOLD PROJECTS (continued)

**Figure 11**  
Horizon Minerals Ltd Asset swap project locations



### M26/446 (JANET IVY) GOLD PRODUCTION ROYALTY

Horizon owns a \$0.50/t mining royalty that relates to ore mined and treated from Mining Lease M26/446 located approximately 10km west of Kalgoorlie-Boulder in Western Australia (Figure 2). The Company entered into a Deed for the sale of M26/446 in 2001 and it is now owned by Norton Gold Fields Ltd (“NGF”) which was delisted from the ASX on 1 July 2015.

As part of the sale, the Company was prepaid \$1,380,000 of the royalty as part of the acquisition cost, equivalent to a mining and treatment tonnage of 2.76Mt (\$0.50/t). Mining has been conducted on a semi-continuous basis at the Janet Ivy deposit which is the largest of known deposits on M26/466 since 2009.

During the year, royalties received from the royalty tenement totalled \$10,435. Horizon anticipates further royalty payments on a quarterly basis for material scheduled by NGF to be treated.

### NANADIE WELL COPPER - EXPLORATION PROJECT

The Nanadie Well Project is located approximately 100km south east of Meekatharra in the Murchison Mineral Field of WA and covers an area of ~145km<sup>2</sup> (Figure 1). In December 2013 Horizon entered into a Farm-in and Joint Venture agreement with Mithril Resources Ltd (ASX: MTH) (“Mithril”) whereby Mithril could earn a 75% interest by spending \$4M over 6 years. The project is highly prospective for Copper, gold, nickel, cobalt and platinum group elements.

During the year and as announced to the ASX on 18 November 2019, the project returned to Horizon on a 100% basis and the Company completed a detailed geological review and a small drilling program to ensure the tenure remained in good standing. Subsequent to year end and as announced to the ASX on 14 July 2020, the Company divested its 100% interest in the project to Cyprum Metals Ltd (ASX: CYM) for \$1.5 million in cash and shares.



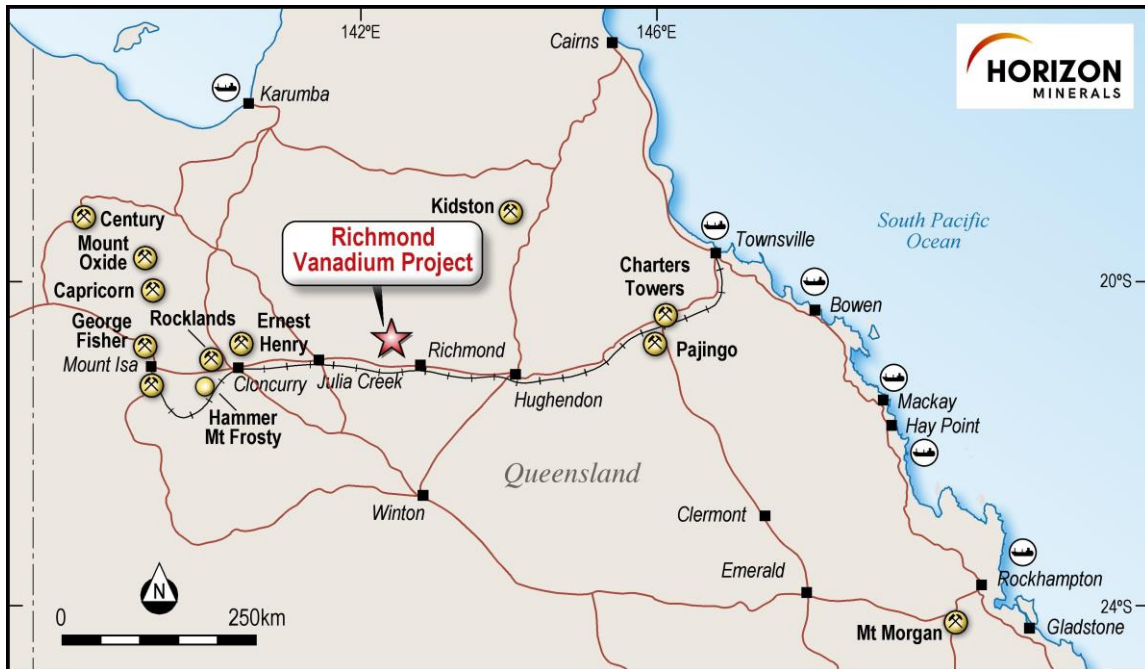
# OPERATIONS REPORT

## RICHMOND VANADIUM JV – EXPLORATION PROJECT (Intermin retains 25%)

In March 2017, the Company finalised a strategic development JV with AXF Vanadium Pty Ltd, now Richmond Vanadium Technologies Pty Ltd (“RVT”). The JV covers Intermin’s 100% interest in the Richmond vanadium project in North West Queensland (Figures 12 and 13) which include metal rights at the nearby Julia Creek project which is owned by Global Oil Shale Plc. The project tenements cover 1,520km<sup>2</sup> of Cretaceous Toolebuc Formation hosting shallow oxide ore within marine sediments.

Figure 12

Horizon Minerals Ltd (formerly Intermin Resources Limited) Richmond Vanadium Project location

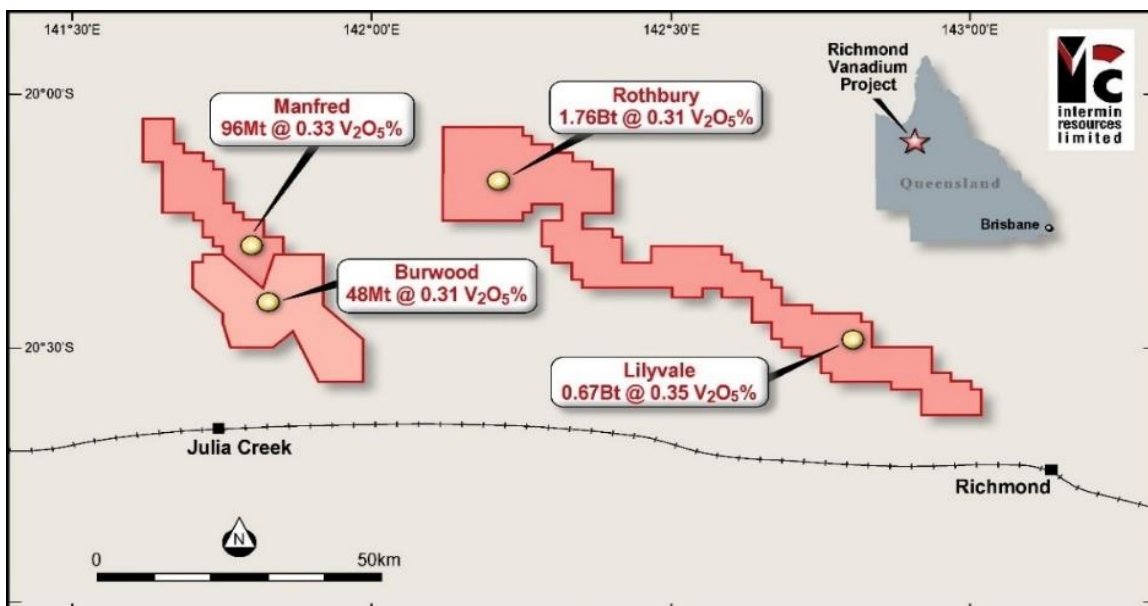


Under the JV, RVT has earned in to 25% of the project by spending A\$1 million and committed to spend a further \$5 million by March 2021 to earn in the remaining 50% inclusive of providing a pre-feasibility study.

In FY20, RVT completed a 7,817m drilling program at the Lilyvale vanadium deposit (Figure 13) to infill previous drilling enabling an updated Mineral Resource Estimate to be compiled at an improved JORC Category for reserve generation studies to be completed.

Figure 13

Horizon Minerals Ltd (formerly Intermin Resources Limited) Richmond Vanadium Project location



# OPERATIONS REPORT

## **RICHMOND VANADIUM JV – EXPLORATION PROJECT (Intermin retains 25%) (continued)**

As announced to the ASX on 20 May 2020, the drilling program was highly successful in intercepting remarkably consistent oxide mineralisation along section with the grade improving relative to the historic resource.

The updated Mineral Resource estimate for the Lilyvale project stands at 560Mt grading 0.48% V<sub>2</sub>O<sub>5</sub> for 2.60Mt of contained metal (at a 0.30% lower cut-off grade) (see Table 2 and Competent Persons Statement on Page 17). Importantly, over 76% of the Lilyvale resource has been upgraded to the Indicated JORC Category enabling detailed economic evaluation to be completed as part of the Pre-Feasibility Study due for release in the September Quarter 2020.

The updated global Mineral Resource estimate for the Richmond project stands at 1,838Mt grading 0.364% V<sub>2</sub>O<sub>5</sub> for 6.65Mt of contained metal (at a 0.30% lower cut-off grade) (see Table 2 and Competent Persons Statement on Page 13).

During the year, RVT continued extensive metallurgical testwork on representative samples from the Lilyvale project at the Hunan Institute of Nonferrous Metals in China. Results from the concentration tests using simple screening, gravity and flotation mineral dressing techniques produced excellent results with concentrate comprising 21% of the original mass at an improved grade of >1.6% V<sub>2</sub>O<sub>5</sub> and a 73% recovery. Downstream processing on the concentrate was then conducted with both commercial and proprietary flowsheets producing commercial grade vanadium flake and vanadium electrolyte.

With the success of the pre-concentration and downstream tests, test work advanced to simulated production trials using semi-industrial scale samples through the entire process pathway from run of mine ore to final product. Results of these tests and the release of the Pre-Feasibility Study is expected for release in the September Quarter 2020.

Horizon sees significant potential of vanadium to play an increasing role in both the steel industry and the emerging battery storage space and for the Richmond oxide sediment resource to be a considerable provider of vanadium well into the next century. The drilling, updated resource model and the pre-feasibility study is expected to be completed in 2020, ahead of the contracted earn in period.

## **NIMBUS SILVER-ZINC PROJECT– EXPLORATION AND DEVELOPMENT**

The Nimbus project lies immediately adjacent to the Boorara gold mine (Figures 2 and 5) and was placed on care and maintenance in 2007 after producing 3.6Moz from 318kt processed at a grade of 353g/t Ag. The old milling circuit 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 that has been estimated from 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 (JORC 2012) (see Tables and Competent Persons Statement on Page 18).

Nimbus is a shallow-water and low-temperature VHMS deposit with epithermal characteristics (i.e. a hybrid bimodal felsic deposit), which is consistent with its position near the margin of the Kalgoorlie Terrane. The current Discovery and East pits have been subject to extensive drilling highlighting significant potential to extend mineralisation along strike and at depth below 400m. Regional exploration has been limited to the north and south and considered highly prospective for further precious and base metal deposits.

Extensive metallurgical test work has been completed on Nimbus ore with the Feasibility Study put on hold in 2014 due to depressed silver prices.

In light of increasing silver and zinc prices, the Company is now reviewing options to create value for shareholders inclusive of retention, joint ventures and divestment and has received expressions of interest from a number of third parties in Australia and overseas.

# OPERATIONS REPORT

## WHITE RANGE GOLD PROJECT (DISPOSED)

The Company has disposed of its White Range Gold Project in the Northern Territory to Red Dingo Corporation Pty Ltd. The Company is currently attending to some clean up issues at the site prior to making application for return of environmental bonds held by the Department of Primary Industry and Resources in respect of the White Range tenements.

## MINERAL RESOURCES

**Table 1: Horizon Minerals Ltd – Summary of Gold Mineral Resources**

Project	Cut-off Grade	Measured			Indicated			Inferred			Total Resource		
		Mt	Au (g/t)	Oz	Mt	Au (g/t)	Oz	Mt	Au (g/t)	Oz	Mt	Au (g/t)	Oz
Teal	1.0				1.01	1.96	63,681	0.80	2.50	64,458	1.81	2.20	128,000
Jacques Find	1.0				1.60	2.24	114,854	0.32	1.68	17,135	1.91	2.14	131,970
Peyes Farm					0.31	1.65	16,313	0.22	1.77	12,547	0.53	1.70	28,860
Crake	1.0	0.46	1.85	27,459	0.48	1.49	22,569	0.33	2.22	23,792	1.27	1.82	73,820
Rosehill	0.7				0.80	2.45	63,000	0.40	2.57	32,200	1.20	2.49	95,200
Gunga west	0.6				0.71	1.60	36,435	0.48	1.50	23,433	1.19	1.56	59,869
Golden Ridge	1.0				0.47	1.83	27,921	0.05	1.71	2,797	0.52	1.82	30,718
<b>TOTAL</b>		<b>0.46</b>	<b>1.85</b>	<b>27,459</b>	<b>5.37</b>	<b>2.00</b>	<b>344,773</b>	<b>2.60</b>	<b>2.11</b>	<b>176,362</b>	<b>8.43</b>	<b>2.02</b>	<b>548,437</b>

**Competent Persons Statement** - The information in this table that relates to Mineral Resources is based on information compiled by Messrs David O'Farrell and Andrew Pumphrey. Both are Members of the Australasian Institute of Mining and Metallurgy, Mr O'Farrell and Mr Pumphrey are full time employees of Horizon Minerals Ltd. The information was prepared under the JORC Code 2012. Messrs O'Farrell and Pumphrey have sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity that they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration, Results, Mineral Resource and Ore Reserves'. Messrs O'Farrell and Pumphrey consent to the inclusion in this report of the matters based on their information in the form and context in which they appear.

**Table 2: Horizon Minerals Ltd – Summary of V<sub>2</sub>O<sub>5</sub> / Mo Resources**

Project (Res Cat)	Cut-off grade %	Tonnage (Mt)	Grade			Metal content (Mt)		
			% V <sub>2</sub> O <sub>5</sub>	ppm Mo	ppm Ni	V <sub>2</sub> O <sub>5</sub>	Mo	Ni
Rothbury (Inferred)	0.30	1202	0.312	259	151	3.75	0.31	0.18
Lilyvale (Indicated)	0.30	430	0.50	240	291	2.15	0.10	0.1
Lilyvale (Inferred)	0.30	130	0.41	213	231	0.53	0.03	0.03
Manfred (Inferred)	0.30	76	0.345	369	249	0.26	0.03	0.02
<b>TOTAL</b>		<b>1,838</b>	<b>0.364</b>	<b>256</b>	<b>193</b>	<b>6.65</b>	<b>0.46</b>	<b>0.36</b>

**Competent Persons Statement** - The Information in this report that relates to Vanadium Mineral Resources is based on and fairly represents information and supporting documentation prepared by Mr Warwick Nordin, who is a Competent Person and a member of the Australasian Institute of Geoscientists (AIG). Mr Nordin is a full-time employee of Richmond Vanadium Technology Pty Ltd. Mr Nordin has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Nordin consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

# OPERATIONS REPORT

## Macphersons Resources Limited (a 100% subsidiary of Horizon) – Summary of Mineral Resources

Boorara Gold Resource (at a 0.5 g/t Au cut-off grade)

Category	Tonnes	Grade	Ounces
	Mt	Au (g/t)	(k'000)
Measured Resource	6.11	0.92	181
Indicated Resource	7.26	0.97	227
Inferred Resource	3.08	1.00	99
<b>Total Resource</b>	<b>16.45</b>	<b>0.96</b>	<b>507</b>

Nimbus All Lodes (bottom cuts 12 g/t Ag, 0.5% Zn, 0.3 g/t Au)

Category	Tonnes	Grade	Grade	Grade	Ounces	Ounces	Tonnes
	Mt	Ag (g/t)	Au (g/t)	Zn (%)	Ag (Moz's)	Au (k'000)	(k'000)
Measured Resource	3.62	102	0.09	1.2	11.9	10	45
Indicated Resource	3.18	48	0.21	1.0	4.9	21	30
Inferred Resource	5.28	20	0.27	0.5	3.4	46	29
<b>Total Resource</b>	<b>12.08</b>	<b>52</b>	<b>0.20</b>	<b>0.9</b>	<b>20.2</b>	<b>77</b>	<b>104</b>

Nimbus high grade silver zinc resource (500 g/t Ag bottom cut and 2800 g/t Ag top cut)

Category	Tonnes	Grade	Grade	Ounces	Tonnes
	Mt	Ag (g/t)	Zn (%)	Ag (Moz's)	(k'000)
Measured Resource	0	0	0	0	0
Indicated Resource	0.17	762	12.8	4.2	22
Inferred Resource	0.09	797	13.0	2.2	11
<b>Total Resource</b>	<b>0.26</b>	<b>774</b>	<b>12.8</b>	<b>6.4</b>	<b>33</b>

**Competent Persons Statement** - The information in this table that relates to Mineral Resources is based on information compiled by Messrs David O'Farrell and Andrew Pumphrey. Both are Members of the Australasian Institute of Mining and Metallurgy, Mr O'Farrell and Mr Pumphrey are full time employees of Horizon Minerals Ltd. The information was prepared under the JORC Code 2012. Messrs O'Farrell and Pumphrey have sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity that they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration, Results, Mineral Resource and Ore Reserves'. Messrs O'Farrell and Pumphrey consent to the inclusion in this report of the matters based on their information in the form and context in which they appear.



# OPERATIONS REPORT

## FORWARD LOOKING AND CAUTIONARY STATEMENTS

Some statements in this report regarding estimates or future events are forward looking statements. They include indications of, and guidance on, future earnings, cash flow, costs and financial performance. Forward looking statements include, but are not limited to, statements preceded by words such as “planned”, “expected”, “projected”, “estimated”, “may”, “scheduled”, “intends”, “anticipates”, “believes”, “potential”, “could”, “nominal”, “conceptual” and similar expressions. Forward looking statements, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. Forward looking statements may be affected by a range of variables that could cause actual results to differ from estimated results, and may cause the Company’s actual performance and financial results in future periods to materially differ from any projections of future performance or results expressed or implied by such forward looking statements. These risks and uncertainties include but are not limited to liabilities inherent in mine development and production, geological, mining and processing technical problems, the inability to obtain any additional mine licenses, permits and other regulatory approvals required in connection with mining and third party processing operations, competition for among other things, capital, acquisition of reserves, undeveloped lands and skilled personnel, incorrect assessments of the value of acquisitions, changes in commodity prices and exchange rate, currency and interest fluctuations, various events which could disrupt operations and/or the transportation of mineral products, including labour stoppages and severe weather conditions, the demand for and availability of transportation services, the ability to secure adequate financing and management’s ability to anticipate and manage the foregoing factors and risks. There can be no assurance that forward looking statements will prove to be correct.

Statements regarding plans with respect to the Company’s mineral properties may contain forward looking statements in relation to future matters that can only be made where the Company has a reasonable basis for making those statements.

This announcement has been prepared in compliance with the JORC Code (2012) and the current ASX Listing Rules.

The Company believes that it has a reasonable basis for making the forward looking statements in the announcement, including with respect to any production targets and financial estimates, based on the information contained in this and previous ASX announcements.

## CORPORATE GOVERNANCE - RESERVES AND RESOURCES CALCULATIONS

Due to the nature, stage and size of the Company’s existing operations, Horizon is of the opinion there would be no efficiencies gained by establishing a separate Mineral Reserves and Resources committee responsible for reviewing and monitoring the Company’s processes for calculating Mineral Reserves and Resources and for ensuring that the appropriate internal controls are applied to such calculations. However, the Company ensures that all Mineral Reserve and Resource calculations are prepared by competent, appropriately experienced geologists and are reviewed and verified independently by a qualified person.

# OPERATIONS REPORT

## Tenement Schedule as at 30 June 2020

Project	Tenement	Registered Holders	Equity	Notes
BINDULI	E26/209	BMG	100%	
	L26/261	IRC	100%	
	M26/346	BMG	100%	
	M26/499	IRC	100%	
	M26/549	BMG	100%	
	M26/621	BMG	100%	
	P26/3888	BMG	100%	
	P26/4014	BMG	100%	
	P26/4056	BMG	100%	
	P26/4256	BMG	100%	
	P26/4316	BMG	100%	
	P26/4317	BMG	100%	
	P26/4319	BMG	100%	
	P26/4320	BMG	100%	
	P26/4321	BMG	100%	
	P26/4322	BMG	100%	
	P26/4323	BMG	100%	
	P26/4324	BMG	100%	
	P26/4325	BMG	100%	
	P26/4326	BMG	100%	
	P26/4327	BMG	100%	
	P26/4328	BMG	100%	
	P26/4329	BMG	100%	
	P26/4330	BMG	100%	
	P26/4332	BMG	100%	
	P26/4333	BMG	100%	
	P26/4334	BMG	100%	
	P26/4335	BMG	100%	
	P26/4336	BMG	100%	
	P26/4337	BMG	100%	
	P26/4338	BMG	100%	
	P26/4339	BMG	100%	
	P26/4340	BMG	100%	
	P26/4341	BMG	100%	
	P26/4342	BMG	100%	
	P26/4343	BMG	100%	
	P26/4344	BMG	100%	
	P26/4345	BMG	100%	
	P26/4350	BMG	100%	
	MLA26/854	BMG	100%	
	MLA26/855	BMG	100%	
PLA26/4229	BMG	100%		
PLA26/4230	BMG	100%		
PLA26/4231	BMG	100%		
PLA26/4318	BMG	100%		
PLA26/4331	BMG	100%		

# OPERATIONS REPORT

## Tenement Schedule as at 30 June 2020 (continued)

Project	Tenement	Registered Holders	Equity	Notes
<b>BLACK FLAG</b>	P16/2820	BMG	100%	
	P16/2821	BMG	100%	
	P24/5143	BMG	100%	
	P24/5144	BMG	100%	
	P24/5145	BMG	100%	
	P24/5146	BMG	100%	
	P24/5147	BMG	100%	
	P24/5148	BMG	100%	
	P24/5149	BMG	100%	
	P24/5150	BMG	100%	
	P24/5151	BMG	100%	
	P24/5152	BMG	100%	
	P24/5153	BMG	100%	
	P24/5154	BMG	100%	
	P24/5155	BMG	100%	
	P24/5156	BMG	100%	
	P24/5157	BMG	100%	
	P24/5158	BMG	100%	
	P24/5159	BMG	100%	
	P24/5160	BMG	100%	
	ELA26/220	BMG	100%	
	PLA24/5415	BMG	100%	
<b>BURBANKS</b>	M15/731	BMG	100%	
<b>CHADWIN</b>	P16/3121	BMG	100%	
	P16/3156	BMG	100%	
	P16/3157	BMG	100%	
<b>COOLGARDIE</b>	P15/6381	BMG	100%	
	P15/6382	BMG	100%	
<b>COOLGARDIE</b>	L15/356	BMG	100%	
<b>NORTH</b>	M15/26	BMG	100%	
	M15/518	BMG	100%	
	M15/637	BMG	100%	
	M15/1272	BMG	100%	
	M15/1361	BMG	100%	
	M15/1833	BMG	100%	
	M15/1834	BMG	100%	
	P15/5910	BMG	100%	
<b>GOLDEN</b>	E25/543	BMG	100%	
<b>RIDGE</b>	M26/41	BMG	100%	
	M26/433	BMG	100%	
	M26/534	BMG	100%	
<b>KANOWNNA</b>	P26/4064	BMG	100%	
<b>BELLE</b>	P26/4065	BMG	100%	
	P26/4156	BMG	100%	
	P27/2379	BMG	100%	
	P27/2380	BMG	100%	
	P27/2381	BMG	100%	
	P27/2382	BMG	100%	
	PLA26/4535	BMG	100%	

# OPERATIONS REPORT

## Tenement Schedule as at 30 June 2020 (continued)

Project	Tenement	Registered Holders	Equity	Notes
<b>LAKEWOOD</b>	PLA26/4360	BMG	100%	
	PLA26/4361	BMG	100%	
	PLA26/4362	BMG	100%	
	PLA26/4363	BMG	100%	
	PLA26/4364	BMG	100%	
	PLA26/4365	BMG	100%	
	PLA26/4366	BMG	100%	
	PLA26/4367	BMG	100%	
	PLA26/4368	BMG	100%	
	PLA26/4369	BMG	100%	
PLA26/4370	BMG	100%		
<b>NANADIE</b>	E51/1040	HRZ	100%	
<b>WELL</b>	MLA51/887	HRZ	100%	
<b>PENFOLDS</b>	P26/4127	BMG	100%	
	P26/4129	BMG	100%	
	P26/4132	BMG	100%	
<b>ROSEHILL</b>	M15/652	BMG	100%	
	M15/1204	BMG	100%	
	P15/6380	BMG	100%	
<b>WHITE FLAG</b>	E26/168	BMG	100%	
	M26/616	IRC	100%	1
	P26/3576	IRC	100%	
	P26/3577	IRC	100%	
	P26/3922	BMG	100%	
	P26/3923	BMG	100%	
	P26/3988	IRC	100%	
	P26/3989	IRC	100%	
	P26/3990	IRC	100%	
	P26/4078	BMG	100%	
	P26/4079	BMG	100%	
	P26/4080	BMG	100%	
	P26/4081	BMG	100%	
<b>WINDANYA</b>	M24/919	BMG	100%	
	M24/959	BMG	100%	
	P24/4702	BMG	100%	
	P24/4703	BMG	100%	
	P24/4817	BMG	100%	
	P24/4897	BMG	100%	
	P24/5046	BMG	100%	
	P24/5047	BMG	100%	
	P24/5048	BMG	100%	
	P24/5049	BMG	100%	
	P24/5050	BMG	100%	
	P24/5051	BMG	100%	
	P24/5052	BMG	100%	
	P24/5053	BMG	100%	
	P24/5054	BMG	100%	



# OPERATIONS REPORT

## Tenement Schedule as at 30 June 2020 (continued)

Project	Tenement	Registered Holders	Equity	Notes
<b>WINDANYA</b>	P24/5055	BMG	100%	
	P24/5056	BMG	100%	
	P24/5057	BMG	100%	
	P24/5058	BMG	100%	
	P24/5059	BMG	100%	
	P24/5106	BMG	100%	
	P24/5108	BMG	100%	
	P24/5116	BMG	100%	
	P24/5165	BMG	100%	
	P24/5166	BMG	100%	
	P24/5167	BMG	100%	
<b>YARMANY</b>	E16/470	BMG	100%	
	E16/471	BMG	100%	
	E16/492	BMG	100%	
	E16/493	BMG	100%	
	E16/494	BMG	100%	
	E16/497	BMG	100%	
	E16/499	BMG	100%	
	E16/503	BMG	100%	
	E16/506	BMG	100%	
	E16/507	BMG	100%	
	E16/510	BMG	100%	
	E16/519	BMG	100%	
	E16/521	BMG	100%	
	E16/525	BMG	100%	
	E16/526	BMG	100%	
	E15/1723	BMG	100%	
	P16/3212	BMG	100%	
	P16/3213	BMG	100%	
	ELA15/1655	BMG	100%	

# OPERATIONS REPORT

## Tenement Schedule as at 30 June 2020 (continued)

Project	Tenement	Registered Holders	Equity	Notes
NIMBUS/BOORARA	E25/511	KOTC	100%	
	L25/32	KOTC	100%	
	L25/35	KOTC	100%	
	L25/36	KOTC	100%	
	L26/240	POLY	100%	
	L26/252	KOTC	100%	
	L26/266	POLY	100%	
	L26/270	POLY	100%	
	L26/274	POLY	100%	
	L26/275	KOTC	100%	
	M25/355	KOTC	100%	
	M26/29	POLY	100%	
	M26/161	POLY	100%	
	M26/277	POLY	100%	
	M26/318	POLY	100%	
	M26/490	KOTC	100%	
	M26/598	KOTC	100%	
	P25/2247	KOTC	100%	
	P25/2261	KOTC	100%	
	P25/2292	KOTC	100%	
	P25/2322	KOTC	100%	
	P25/2393	KOTC	100%	
	P25/2394	KOTC	100%	
	P25/2403	KOTC	100%	
	P25/2404	KOTC	100%	
	P25/2405	KOTC	100%	
	P25/2450	KOTC	100%	
	P25/2467	KOTC	100%	
	P25/2468	KOTC	100%	
	P25/2469	KOTC	100%	
	P25/2470	KOTC	100%	
	P25/2471	KOTC	100%	
	P25/2472	KOTC	100%	
	P25/2473	KOTC	100%	
	P25/2474	KOTC	100%	
	P25/2475	KOTC	100%	
	P25/2526	KOTC	100%	
	P25/2551	KOTC	100%	
	P25/2552	KOTC	100%	
	PLA25/2643	KOTC	100%	
	PLA25/2644	KOTC	100%	
	PLA25/2645	KOTC	100%	
PLA25/2646	KOTC	100%		
PLA25/2647	KOTC	100%		
P26/4020	KOTC	100%		
P26/4035	POLY	100%		

# OPERATIONS REPORT

## Tenement Schedule as at 30 June 2020 (continued)

Project	Tenement	Registered Holders	Equity	Notes
NIMBUS/BOORARA	P26/4036	POLY	100%	
	P26/4053	KOTC	100%	
	P26/4054	KOTC	100%	
	P26/4055	KOTC	100%	
	P26/4199	KOTC	100%	
	P26/4200	KOTC	100%	
	P26/4201	KOTC	100%	
	P26/4202	KOTC	100%	
	P26/4203	KOTC	100%	
	P26/4204	KOTC	100%	
	P26/4205	KOTC	100%	
	P26/4206	KOTC	100%	
	P26/4207	KOTC	100%	
	P26/4208	KOTC	100%	
	P26/4297	KOTC	100%	
	P26/4298	KOTC	100%	
	P26/4299	KOTC	100%	
	P26/4300	KOTC	100%	
	P26/4301	KOTC	100%	
	P26/4302	KOTC	100%	
	P26/4381	KOTC	100%	
	P26/4382	KOTC	100%	
	P26/4383	KOTC	100%	
	P26/4384	KOTC	100%	
	P26/4385	KOTC	100%	
	P26/4386	KOTC	100%	
	P26/4405	KOTC	100%	
	P26/4431	KOTC	100%	
	PLA26/4432	KOTC	100%	
	PLA26/4478	KOTC	100%	
	PLA26/4479	KOTC	100%	
	PLA26/4505	KOTC	100%	
	PLA26/4509	KOTC	100%	
	PLA26/4510	KOTC	100%	
	PLA26/4511	KOTC	100%	
	PLA26/4512	KOTC	100%	
	PLA26/4513	KOTC	100%	
	PLA26/4514	KOTC	100%	
	PLA26/4515	KOTC	100%	
	PLA26/4516	KOTC	100%	
	PLA26/4517	KOTC	100%	
	PLA26/4518	KOTC	100%	
P27/2318	KOTC	100%		
P27/2139	KOTC	100%		
P27/2140	KOTC	100%		

# OPERATIONS REPORT

## Tenement Schedule as at 30 June 2020 (continued)

Project	Tenement	Registered Holders	Equity	Notes
<b>NIMBUS/BOORARA</b>	P27/2141	KOTC	100%	
	P27/2142	KOTC	100%	
	P27/2146	KOTC	100%	
	P27/2147	KOTC	100%	
	P27/2148	KOTC	100%	
	P27/2265	KOTC	100%	
	P27/2266	KOTC	100%	
	P27/2267	KOTC	100%	
	P27/2268	KOTC	100%	
	P27/2269	KOTC	100%	
	P27/2270	KOTC	100%	
	P27/2271	KOTC	100%	
	P27/2272	KOTC	100%	
	P27/2273	KOTC	100%	
	P27/2274	KOTC	100%	
	P27/2275	KOTC	100%	
	P27/2276	KOTC	100%	
	P27/2408	KOTC	100%	
	PLA27/2429	KOTC	100%	
	PLA27/2431	KOTC	100%	
	PLA27/2432	KOTC	100%	
	PLA27/2433	KOTC	100%	
	PLA27/2434	KOTC	100%	
	PLA27/2435	KOTC	100%	
	PLA27/2436	KOTC	100%	
	PLA27/2437	KOTC	100%	
	PLA27/2438	KOTC	100%	

<b>Joint Ventures</b>				
<b>Richmond JV</b>	EPM25163	HRZ/RVT	HRZ 75%/RVT 25%	2
	EPM25164	HRZ/RVT	HRZ 75%/RVT 25%	2
	EPM25258	HRZ/RVT	HRZ 75%/RVT 25%	2
	EPM26425	HRZ/RVT	HRZ 75%/RVT 25%	2
	EPM26426	HRZ/RVT	HRZ 75%/RVT 25%	2
<b>Royalties</b>				
<b>Janet Ivy</b>	M26/446	NGF	HRZ 0%	3
	M26/833	NGF	HRZ 0%	3
<b>Otto Bore</b>	M36/177	PLT	HRZ 0%	4



# OPERATIONS REPORT

## Abbreviations

<b>BMG</b>	Black Mountain Gold Ltd	<b>PLT</b>	Plutonic Operations Ltd (subsidiary of Barrick Asia Pacific Ltd)
<b>HRZ</b>	Horizon Minerals Limited	<b>POLY</b>	Polymetals (WA) Pty Ltd
<b>KOTC</b>	Kalgoorlie Ore Treatment Company Pty Ltd	<b>RVT</b>	Richmond Vanadium Technology Pty Ltd (formerly AXF Vanadium Pty Ltd)
<b>NGF</b>	Norton Gold Fields Ltd		

## Notes

- (1) Royalty of \$1 per tonne of ore mined and treated from M26/616 is payable to Pamela Jean Buchhorn.
- (2) An earn-in JV whereby RVT can earn 25% of the project area by spending A\$1M within a 1 year period and maintaining the project in good standing – completed February 2018. RVT to solely contribute to further expenditure of \$5m on the projects to earn a further 50% over a 3 year period.
- (3) Royalty of \$0.50 per tonne of ore mined payable to HRZ after the first 2.76 million tonnes (prepaid).
- (4) HRZ is entitled to a royalty of 3% gold recovered from the Otto Bore tenements.

# DIRECTORS' REPORT

Your Directors have the pleasure in presenting their report together with the financial statements of the Group (hereafter referred to as the Group) for the financial year ended 30 June 2020 and the auditor's report thereon.

## DIRECTORS

The following persons held office as Directors of Horizon Minerals Limited during the financial year and up to the date of this report:

- Peter Bilbe
- Jonathan Price
- Ashok Parekh
- Jeffrey Williams (resigned 30 April 2020)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

## INFORMATION ON DIRECTORS AND OFFICERS

### **Peter Bilbe, B.Eng. (Mining) (Hons), MAusIMM, Chairman and Independent Non-Executive Director (Appointed 1 July 2016, Appointed Chairman 21 November 2016, resigned Chairman 1 July 2020)**

Mr Bilbe is a Mining Engineer with over 40 years' experience in the Australian and International mining industry at the operating, corporate and business level. He has comprehensive experience in all facets of open pit and underground mining and processing operations including exploration, feasibility studies, construction and provision of mining contract services.

Directorships held in other listed companies in the past 3 years:

- Independence Group NL (ASX: IGO) (Appointed 6 April 2009)
- Adriatic Metals PLC (ASX: ADT) (Appointed 16 February 2018)

### **Jonathan Price, Managing Director (Appointed 1 January 2016)**

Mr Price has over 25 years' experience in Australia and overseas across all aspects of the industry including exploration, development, construction and mining operations in the gold and advanced minerals sectors. Jon graduated as a metallurgist and holds a Masters in Mineral Economics from the Western Australian School of Mines. He then worked in various gold and advanced mineral operations including general manager of the Paddington gold and St Ives gold operations in the Western Australian goldfields.

More recently, Jon was the founding Managing Director of Phoenix Gold Ltd, acquired by Evolution Mining Ltd. During his tenure, Jon oversaw the reconsolidation of underexplored tenure in the Western Australian goldfields and realised significant exploration success.

Directorships held in other listed companies in the past 3 years:

- Kingwest Resources Limited (ASX: KWR) (Appointed 18 September 2019)

### **Ashok Parekh, Non-Executive Director (Appointed 14 June 2019, appointed Chairman 1 July 2020)**

Mr Ashok Parekh is a chartered accountant, of over 40 years' experience, who owns a large accounting practice in Kalgoorlie, which he has operated for 35 years. He was awarded the Centenary Medal in 2003 by the Governor General of Australia, and was recently awarded the Meritorious Service Award by the Institute of Chartered Accountants, the highest award granted by the institute in Australia.

Mr Parekh has over 35 years' experience in providing advice to mining companies and service providers to the mining industry. He has spent many years negotiating with public listed companies and prospectors on mining deals which have resulted in new IPOs and the commencement of new gold mining operations. He has also been involved in the management of gold mining and milling companies in the Kalgoorlie region, and has been the Managing Director of some of these companies. He is well known in the West Australian mining industry and has a very successful background in the ownership of numerous businesses in the Goldfields.

Directorships held in other listed companies in the past 3 years:

- MacPhersons Resources Limited (Appointed 9 September 2009 – 13 June 2019 upon delisting)

# DIRECTORS' REPORT

## INFORMATION ON DIRECTORS AND OFFICERS (CONTINUED)

### Jeffrey Williams, Non-Executive Director (Appointed 14 June 2019, resigned 30 April 2020)

Mr Jeffrey Williams has over 40 years' industry experience, with 16 years' experience as a professional mining engineer in Australia and seven years in the stockbroking industry, and is a Fellow of the Australasian Institute of Mining and Metallurgy. His mining experience ranges from mine planning, underground management and feasibility studies through to mine development.

Mr Williams was the Managing Director of Mineral Deposits Ltd for 15 years and departed in late 2011. He secured the Sabodala gold and Grande Cote zircon projects in Senegal in West Africa, and commenced gold production in March 2009. Mr Williams has since been involved in other smaller mining companies on the ASX to develop exploration plans, mostly in Australia.

Directorships held in other listed companies in the past 3 years:

- MacPhersons Resources Limited (Appointed 9 September 2009 – 13 June 2019 upon delisting)

### Bianca Taveira, Company Secretary

Mrs Taveira is an experienced company administrator and manager who has acted as Company Secretary to a number of unlisted public and ASX listed natural resource companies for over two decades. During this time Mrs Taveira has been involved in a number of initial public offerings, reverse takeover transactions, corporate transactions and capital raisings. Mrs Taveira has a corporate and compliance background and is experienced with administration of the shareholder registry, the ASX Listing Rules, mining tenement management and the Department of Mines regulations. Mrs Taveira is currently also the Company Secretary of Reward Minerals Ltd (ASX: RWD) and Yandal Resources Limited (ASX: YRL).

## CORPORATE INFORMATION

Horizon Minerals Limited is a Company limited by shares that is incorporated and domiciled in Australia.

## PRINCIPAL ACTIVITIES

The principal continuing activities during the year of the Group, constituted by Horizon Minerals Limited and the entities it controlled during the year, consisted of exploration for and mining of gold and other mineral resources.

## OPERATING RESULTS

The net profit of the Group for the year ended 30 June 2020, after providing for income tax, amounted to \$1,043,504 (2019: Loss \$3,134,895).

## REVIEW OF OPERATIONS

### Exploration Activity

Please refer to the Exploration and Development Activities of the Operations Report for detailed information on the Group's exploration activities over the past year.

## SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

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

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

The Company recognised a profit of \$2,684,450 at June 2020 as a result of this transaction.

- During the year ended 30 June 2020, the Company received formal notification from Focus Minerals Limited ("Focus") under the Exclusivity Deed that Focus is unlikely to obtain the required internal, board and regulatory approvals necessary for it to proceed with the proposed sale of the Coolgardie gold project before the expiry of the Exclusivity Period on 17 December 2019.

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

# DIRECTORS' REPORT

## SIGNIFICANT CHANGES IN STATE OF AFFAIRS (continued)

- In March 2020, the Company entered into a loan agreement with Sparta AG, an unrelated party to borrow \$4M to assist with mining operations. The loan is secured over Boorara Gold project mining tenements M26/29 and M26/318. The loan is for a period of 12 months, with an interest rate of 20% p.a.  
Additionally, 24 million unlisted options were issued in April 2020 to Sparta AG. Refer to Note 15 and Note 23(b) for further details.
- In March 2020, the Company issued 25 million shares via a share placement plan at \$0.08 to raise \$2,000,000 before share issue costs.
- In April 2020, Mr Jeffrey Williams resigned as Non-Executive Director.

## MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

(a) Subsequent to year end, 2,400,000 Class E Performance Rights lapsed.

### (b) **Nanadie Well Copper Project**

In July 2020, the Group reached an agreement with Cyprium Metals Limited (ASX: CYM) ("Cyprium") to divest the Nanadie Well copper project near Meekatharra in the Murchison District of Western Australia.

Horizon took 100% control of the Nanadie Well in the December quarter of 2019 following the withdrawal of its then joint venture partner. The divestment comprises exploration license E51/1040 and Mining License M51/887 covering 45km<sup>2</sup>. Under the Agreement, Cyprium will pay \$1.5 million in cash and shares (priced on a 20 day VWAP basis) on the following terms:

- \$250,000 in cash and \$400,000 in Cyprium shares on completion
- \$350,000 in Cyprium shares 12 months from completion
- \$300,000 in Cyprium shares 24 months from completion
- \$200,000 in Cyprium shares on a decision to mine from the tenure

### (c) **Capital Raising**

In August 2020, the Group announced a Share Placement Plan for 115 million ordinary shares at \$0.14 per share to raise \$16.1 million before share issue costs.

Settlement of the Placement will occur in two tranches:

- Tranche 1 comprises the issue of 57.5 million Placement Shares (\$8.05 million) pursuant to Listing Rules 7.1 and 7.1A. No shareholder approval is required for the issue of shares in Tranche 1 which settled on 21 August 2020.
- Tranche 2, which is subject to shareholder approval at a General Meeting to be held on 25 September 2020, comprises the issue of a further 57.5 million Placement Shares (\$8.05 million).

New shares issued under the Placement will rank equally with existing ordinary shares on issue.

Proceeds from the Placement and existing cash reserves will be used for the accelerated reserve conversion and resource growth exploration drilling program which will commence in September 2020. Drilling will comprise reverse circulation and diamond drilling at the core Boorara, Binduli, Rose Hill and Teal gold project areas.

(d) In July 2020, Mr Peter Bilbe stepped down as Chairman, remaining as Non-Executive Director and Mr Ashok Parekh assumed the role of Chairman.

There are no other matters or circumstances that have arisen since 30 June 2020 that have or may significantly affect the operations, results, or state of affairs of the Group in future financial periods.

## LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

In the opinion of the Directors it would prejudice the interests of the Group to provide additional information, beyond that reported in this Annual Report, relating to likely developments in the operations of the Group and the expected results of those operations in financial years subsequent to 30 June 2020.



# DIRECTORS' REPORT

## COVID-19 IMPACT

The full impact of the COVID-19 pandemic continues to evolve at the date of this report. The Company is therefore uncertain as to the full impact that the pandemic will have on its financial condition, liquidity and future results of operations during 2020 or 2021. Management continues to actively monitor the global situation and its impact on the Company's financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity for the 2020/21 financial year.

The health and wellbeing of all Horizon employees remain a key focus in response to the ongoing COVID-19 pandemic. The work practices and measures implemented to mitigate COVID-19 related risks have so far proven successful with no known COVID-19 cases across our workforce and minimal disruption to our operations to date.

## DIVIDENDS PAID OR RECOMMENDED

Since the end of the previous financial year, no amount has been paid or declared by way of dividend. The Directors do not recommend that any dividend be paid.

## MEETINGS OF DIRECTORS

The number of directors' meetings (including meetings of committees of Directors) held and attended by each of the Directors of the Group during the year were:

Directors	Full Meetings of Directors		Remuneration Committee	
	Eligible To Participate	Number Attended	Eligible To Participate	Number Attended
Peter Bilbe	6	6	1	1
Jonathan Price	6	6	1	1
Ashok Parekh	6	6	1	1
Jeff Williams	5	5	1	1

## DIRECTORS INTERESTS

As at the date of this report interests of the Directors in the shares of the Company were:-

Directors	Ordinary Shares		Total Holdings	
	Direct Interest	Indirect Interest	Shares	Unlisted Options
Peter Bilbe	-	1,980,000	1,980,000	-
Jonathan Price	4,500,000	-	4,500,000	-
Ashok Parekh	8,908,873	14,155,480	23,064,353	-

## SHARES UNDER OPTION

Unissued ordinary shares of Horizon Minerals Limited under option as at the date of this report are as follows:

Nature	Expiry Date	Exercise Price of Options	Number under Option
Unlisted Options	30 June 2022	12 cents	12,000,000
Unlisted Options	30 June 2022	16 cents	12,000,000

Option holders do not have any rights to participate in any issues of shares or other interests in the Company or any other entity.

There have been no unissued shares or interests under option of any controlled entity within the Group during or since the end of the reporting period.

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

# DIRECTORS' REPORT

## AUDITED REMUNERATION REPORT

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001.

### REMUNERATION GOVERNANCE

The role of the Remuneration Committee has been assumed by the full Board. The Board's policy for determining the nature and amount of remuneration for board members and senior Executives of the Company is as follows:

The objective of the Company's policy is to provide remuneration that is competitive and appropriate. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- (i) competitiveness and reasonableness;
- (ii) acceptability to shareholders;
- (iii) transparency; and
- (iv) capital management.

### (a) Details of Remuneration

The remuneration of the key management personnel of the Group are set out in the following tables:

The key management personnel of the Consolidated Entity consisted of the following directors of Horizon Minerals Limited:

- Peter Bilbe – Chairman and Independent Non-Executive Director (resigned as Chairman 1 July 2020)
- Jonathan Price – Managing Director
- Ashok Parekh – Non-Executive Director (appointed Chairman 1 July 2020)
- Jeff Williams – Non-Executive Director (resigned 30 April 2020)

And the following persons:

- Grant Haywood – Chief Operating Officer

Name	Year	Short Term Benefits			Long Term Benefits		
		Salary & Wages \$	Directors' Fee \$	Share based payments \$	Post Employment Superannuation \$	Total \$	Performance Related %
Peter Bilbe	2020	-	57,500	11,508	5,463	74,471	15.45
(Chairman)	2019	-	65,000	39,054	6,175	110,229	35.40
Jonathan Price	2020	313,757	-	28,770	22,043	364,570	7.89
(Managing Director)	2019	385,496	-	97,635	29,932	513,063	19.00
Ashok Parekh	2020	-	43,125	-	4,097	47,222	-
(Non-Executive Director)	2019	-	5,812	-	552	6,364	-
Jeff Williams	2020	-	37,500	-	3,563	41,063	-
(Non-Executive Director - resigned 30 April 2020)	2019	-	5,812	-	552	6,364	-
Peter Hunt	2020	-	-	-	-	-	-
(Non-Executive Director - resigned 14 June 2019)	2019	-	40,000	39,054	6,000	85,054	45.90
<b>Other KMP</b>							
Grant Haywood	2020	266,668	-	14,385	21,910	302,963	4.70
(COO)	2019	327,004	-	48,817	29,491	405,312	12.00
<b>Total</b>	<b>2020</b>	<b>580,425</b>	<b>138,125</b>	<b>54,663</b>	<b>57,076</b>	<b>830,289</b>	
Total	2019	712,500	116,624	224,560	72,702	1,126,386	

The Company has no formal policy regarding the provision of Directors' remuneration. Directors' fees in total are determined by the shareholders in a general meeting. No cash bonuses have been issued to Directors.

# DIRECTORS' REPORT

## (a) Details of Remuneration (continued)

Shareholders have approved Directors' Fees in total up to \$250,000 per annum.

Directors are not under written contracts. Directors that are not on a salary may be paid consulting fees for specialist services beyond normal duties at commercial rates calculated according to the amount of time spent on Company business. In the year ended 30 June 2020, the directors have received share-based compensation for services as directors of the Company. Full details are included below.

The share price of the Company has fluctuated with the markets and has also been influenced by the Company's investments in other ASX listed companies. Over the past five years the directors' fees have relatively remained static and have not been influenced by the fluctuating share price.

## (b) Interests in the Shares of the Company

### Shares

The number of shares in the Company held during the financial year by key management personnel of Horizon Minerals Limited, including their personally related parties, is set out below:

2020	Balance at the start of the year	Shares sold	Performance Rights Vested	Exercise of Options	Balance held at resignation	Balance at the end of the year
Peter Bilbe	1,980,000	-	-	-	-	1,980,000
Jonathan Price	4,818,493	(318,493)	-	-	-	4,500,000
Ashok Parekh	23,064,353	-	-	-	-	23,064,353
Jeffrey Williams	2,367,578	-	-	-	(2,367,578)	-
<b>Other KMP</b>						
Grant Haywood	1,312,500	-	-	-	-	1,312,500
<b>TOTAL</b>	<b>33,542,924</b>	<b>(318,493)</b>	<b>-</b>	<b>-</b>	<b>(2,367,578)</b>	<b>30,856,853</b>

2019	Balance at the start of the year	Balance held at appointment	Shares sold	Performance Rights Vested	Exercise of Options	Balance held at resignation	Balance at the end of the year
Peter Bilbe	230,000	-	-	-	1,750,000	-	1,980,000
Jonathan Price	2,368,493	-	(300,000)	-	2,750,000	-	4,818,493
Ashok Parekh	-	23,064,353	-	-	-	-	23,064,353
Jeffrey Williams	-	2,367,578	-	-	-	-	2,367,578
Peter Hunt	6,411,699	-	-	-	-	(6,411,699)	-
<b>Other KMP</b>							
Grant Haywood	1,250,000	-	-	-	62,500	-	1,312,500
<b>TOTAL</b>	<b>10,260,192</b>	<b>25,431,931</b>	<b>(300,000)</b>	<b>-</b>	<b>4,562,500</b>	<b>(6,411,699)</b>	<b>33,542,924</b>

# DIRECTORS' REPORT

## (c) Interests in the Options of the Company

2020	Balance at the start of the year	Balance held at appointment	Options exercised during year	Balance held at resignation	Options lapsed during the year	Balance at 30/06/20	Bal. vested and exercisable at 30/06/20
	No.	No.	No.	No.	No.	No.	No.
Peter Bilbe	-	-	-	-	-	-	-
Jonathan Price	-	-	-	-	-	-	-
Ashok Parekh	-	-	-	-	-	-	-
Jeffrey Williams	1,371,592	-	-	-	(1,371,592)	-	-
<b>Other KMP</b>							
Grant Haywood	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>1,371,592</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,371,592)</b>	<b>-</b>	<b>-</b>

2019	Balance at the start of the year	Balance held at appointment	Options exercised during year	Balance held at resignation	Options lapsed during the year	Balance at 30/06/19	Bal. vested and exercisable at 30/06/19
	No.	No.	No.	No.	No.	No.	No.
Peter Bilbe	1,790,000	-	(1,750,000)	-	(40,000)	-	-
Jonathan Price	2,750,000	-	(2,750,000)	-	-	-	-
Ashok Parekh	-	-	-	-	-	-	-
Jeffrey Williams	-	1,371,592	-	-	-	1,371,592*	1,371,592
Peter Hunt	-	-	-	-	-	-	-
<b>Other KMP</b>							
Grant Haywood	62,500	-	(62,500)	-	-	-	-
<b>TOTAL</b>	<b>4,602,500</b>	<b>1,371,592</b>	<b>(4,562,500)</b>	<b>-</b>	<b>(40,000)</b>	<b>1,371,592</b>	<b>1,371,592</b>

\*Options are exercisable at \$0.2912 on or before 9 December 2019



# DIRECTORS' REPORT

## (c) Share-Based Compensation

### (i) Performance Rights Issued November 2017

In the year ended 30 June 2018, the Company provided benefits to employees (including directors) of the Company in the form of share-based payment transactions, whereby performance rights convertible to ordinary shares were granted at nil consideration as an incentive to improve Director and shareholder goal congruence. See Note 23 for details.

Details of performance rights over ordinary shares in the Company provided as remuneration to the Directors' of Horizon Minerals Limited are set out below. When vesting conditions are met, each right is convertible into one ordinary share of Horizon Minerals Limited.

Year ended 30 June 2020								
Directors	Balance at beginning of year unvested		Vested		Lapsed/cancelled	Balance at end of year unvested		
	No.	Value to be expensed* \$	No.	Value to be expensed* \$	No.	No.	Value expensed in 2019/20 \$	Value to be expensed* \$
Peter Bilbe	800,000	15,687	-	-	400,000	400,000	11,508	4,179
Jonathan Price	2,000,000	39,216	-	-	1,000,000	1,000,000	28,770	10,446
<b>Other KMP</b>								
Grant Haywood	1,000,000	19,609	-	-	500,000	500,000	14,385	5,224
<b>TOTAL</b>	<b>3,800,000</b>	<b>74,512</b>	<b>-</b>	<b>-</b>	<b>1,900,000</b>	<b>1,900,000</b>	<b>54,663</b>	<b>19,849</b>

Year ended 30 June 2019								
Directors	Balance at beginning of year unvested		Vested		Lapsed/cancelled	Balance at end of year unvested		
	No.	Value to be expensed* \$	No.	Value to be expensed* \$	No.	No.	Value expensed in 2018/19 \$	Value to be expensed* \$
Peter Bilbe	800,000	54,741	-	-	-	800,000	39,054	15,687
Jonathan Price	2,000,000	136,851	-	-	-	2,000,000	97,635	39,216
Peter Hunt **	800,000	54,741	-	-	-	800,000	39,054	15,687
<b>Other KMP</b>								
Grant Haywood	1,000,000	68,426	-	-	-	1,000,000	48,817	19,609
<b>TOTAL</b>	<b>4,600,000</b>	<b>314,759</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,600,000</b>	<b>224,560</b>	<b>90,199</b>

\* Maximum value to be expensed in future periods if all vesting conditions are met.

\*\* Balance held at resignation date, 14 June 2019.

The performance rights were issued in classes with varying performance and vesting conditions (refer Note 23). Details of the number of rights issued per class are as follows:

Directors	Class A	Class B	Class C	Class D	Class E	Class F	Class G	Total
	No.	No.	No.	No.	No.	No.	No.	No.
Peter Bilbe	75,000	75,000	75,000	400,000	400,000	-	-	1,025,000
Jonathan Price	333,333	333,333	333,334	1,000,000	1,000,000	-	-	3,000,000
Peter Hunt	75,000	75,000	75,000	400,000	400,000	-	-	1,025,000
Lorry Hughes	150,000	150,000	150,000	500,000	500,000	-	-	1,450,000
<b>Other KMP</b>								
Grant Haywood	150,000	150,000	150,000	500,000	500,000	150,000	150,000	1,750,000
<b>TOTAL</b>	<b>783,333</b>	<b>783,333</b>	<b>783,334</b>	<b>2,800,000</b>	<b>2,800,000</b>	<b>150,000</b>	<b>150,000</b>	<b>8,250,000</b>

# DIRECTORS' REPORT

## Performance Rights

Further details on the performance and valuations attaching to the performance rights are included in Note 23a to the Financial Statements.

The fair value of the rights was determined using a Hoadley's Barrier 1 model. A total amount of \$69,047 is included in the Statement of Financial Performance and Statement of Changes in Equity for the year ended 30 June 2020 (2019 - \$273,377), of which \$54,663 (2019 - \$224,560) is attributable to KMP.

The assessed fair value at grant date of performance rights granted to the individuals is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above. Fair values at grant date are independently determined using a Hoadley's Barrier 1 model that takes into account the vesting condition of the rights, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the rights.

## (ii) Options

During the year ended 30 June 2020, there were no options exercised by directors.

## (e) Other Transactions with Key Management Personnel

There were no other transactions with Key Management Personnel during the year.

**This is the end of the Audited Remuneration Report.**

# DIRECTORS' REPORT

## INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Group maintained an insurance policy which indemnifies the Directors and Officers of Horizon Minerals Limited in respect of any liability incurred in connection with the performance of their duties as Directors or Officers of the Group. The Group's insurers have prohibited disclosure of the amount of the premium payable and the level of indemnification under the insurance contract.

## NON-AUDIT SERVICES

The Directors are satisfied that the provision of non-audit services, during the year, by the auditor or a related practice of the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

No non-audit services have been provided by the Company's auditors in year ended 30 June 2020. Remuneration paid to the Company's auditors is detailed in Note 20 of this report.

## AUDITOR'S INDEPENDENCE DECLARATION

In accordance with section 307C of the Corporations Act 2001, the Directors have obtained a Declaration of Independence from Rothsay Auditing, the Group's auditor, as presented on page 38 of this Annual Report.

## ENVIRONMENTAL REGULATION

The Group's exploration and mining operations are subject to environment regulation under the laws of the Commonwealth and the States. The Company holds exploration/mining tenements in Western Australia, Northern Territory and Queensland and thus is subject to the Mining Acts of these states, each with specific conditions relating to environmental management. In some instances bonds are held by the Company's bank in favour of the Minister for Mines to be released to the Company when the Minister is satisfied that conditions imposed on tenement licences have been met. In some jurisdictions Cash Bonds must be lodged with the relevant Department until conditions are fulfilled. Bonds currently in place in respect of the Company's tenement holdings are tabulated below.

Tenement Number	Tenement Name	Bond Held \$
MLs150, 151	White Range	257,927*

\*Pursuant to the White Range Mining Tenement Sale Agreement dated 18 January 2013 the Purchaser Red Dingo Corporation Pty Ltd is required to replace the Security Bond allowing refund of the current \$257,927 to Horizon Minerals Limited.

The Directors advise that during the year ended 30 June 2020, no claim has been made by any competent authority that any environmental issues, no condition of license or notice of intent has been breached, and no claim has been made for increase of bond.

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. For the measurement period 1 July 2019 to 30 June 2020 the directors have assessed that there are no current reporting requirements, but may be required to do so in the future.

## PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Group was not a party to any such proceedings during the year.

This report is made in accordance with a resolution of directors, and signed for on behalf of the board by:

**JON PRICE**  
*Managing Director*

Perth, WA  
30 September 2020

# AUDITOR'S INDEPENDENCE DECLARATION



Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005  
P.O. Box 8716, Perth Business Centre WA 6849  
Phone (08) 9486 7094 www.rothsayresources.com.au

## AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead auditor of the audit of Horizon Minerals Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Horizon Minerals Limited and the entities it controlled during the year.

Rothsay Auditing

A handwritten signature in black ink that reads 'Dalla'.

Daniel Dalla  
Partner  
29 September 2020



Liability limited by a scheme approved under Professional Standards Legislation

# DIRECTORS' DECLARATION

The Directors of the Company declare that, in the opinion of the Directors:

1. The financial statements, comprising the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and accompanying notes, set out on pages 40 to 71 are in accordance with the *Corporations Act 2001* including:
  - (a) complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements;
  - (b) giving a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the Group; and
2. The Company has included in the notes to the financial statements an explicit and unreserved Statement of Compliance with International Financial Reporting Standards.
3. The Directors have been given the declaration by the Managing Director required by Section 295A.
4. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



**JON PRICE**  
**Managing Director**

Perth, WA  
30 September 2020



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
<b>Continuing Operations</b>			
Gold royalty		-	241,406
Interest income	2	58,382	58,557
Other income	3	3,056,443	2,758,203
<b>Total revenue from Continuing Operations</b>		<b>3,114,825</b>	<b>3,058,166</b>
Cost of sales	4	-	(1,719,380)
Exploration and evaluation expenditure		-	(46,816)
Depreciation expenses		(128,803)	(26,262)
Net change in fair value of financial assets at fair value through profit or loss	9	660,881	(622,146)
Employee benefits expense		(543,708)	(471,051)
Share based payments	23	(650,924)	(273,377)
Building and occupancy costs	4 & 13	(113,449)	(86,303)
Loss on sale of property, plant & equipment		-	(983)
Consultancy and professional fees		(450,380)	(400,956)
Impairment loss on tenements	12	-	(194,099)
Scheme of arrangement transaction costs	4	-	(1,734,427)
Interest expenses and finance charges	15	(245,479)	-
Impairment of receivables	8(i)	(244,561)	-
Other expenses		(354,898)	(617,261)
<b>Profit/(Loss) from continuing operations before income tax</b>		<b>1,043,504</b>	<b>(3,134,895)</b>
Income tax (expense)/benefit	6	-	-
<b>Profit/(Loss) for the year</b>		<b>1,043,504</b>	<b>(3,134,895)</b>
<b>Profit/(Loss) for the year and total comprehensive income attributable to owners of Horizon Minerals Limited</b>		<b>1,043,504</b>	<b>(3,134,895)</b>

		2020	2019
Basic earnings/(loss) per share	19	0.24 cents	(1.29) cents
Diluted earnings/(loss) per share	19	0.24 cents	(1.29) 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 30 JUNE 2020

	Note	2020 \$	2019 \$
<b>Current assets</b>			
Cash and cash equivalents	7	5,895,535	4,951,288
Trade and other receivables	8	3,729,020	557,218
Mining production expenditure	12c	2,504,762	-
<b>Total current assets</b>		<b>12,129,317</b>	<b>5,508,506</b>
<b>Non-current assets</b>			
Financial assets at fair value through profit or loss	9	4,266,342	605,461
Other assets	10	257,927	257,927
Property, plant and equipment	11	2,577,398	2,694,350
Exploration, evaluation and development expenditure	12a/b	35,755,748	37,210,890
Right of use assets	13	162,544	-
<b>Total non-current assets</b>		<b>43,019,959</b>	<b>40,768,628</b>
<b>Total assets</b>		<b>55,149,276</b>	<b>46,277,134</b>
<b>Current liabilities</b>			
Trade and other payables	14	3,387,031	990,214
Borrowings	15	4,245,479	-
Lease liability	13	49,526	-
<b>Total current liabilities</b>		<b>7,682,036</b>	<b>990,214</b>
<b>Non-current liabilities</b>			
Lease liability	13	120,235	-
Provisions	16	930,035	2,257,424
<b>Total non-current liabilities</b>		<b>1,050,270</b>	<b>2,257,424</b>
<b>Total liabilities</b>		<b>8,732,306</b>	<b>3,247,638</b>
<b>Net assets</b>		<b>46,416,970</b>	<b>43,029,496</b>
<b>Equity</b>			
Contributed equity	17a	51,439,580	49,746,534
Reserves	18a	1,817,330	1,166,406
Accumulated losses	18b	(6,839,940)	(7,883,444)
<b>Total equity</b>		<b>46,416,970</b>	<b>43,029,496</b>

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

Group	Contributed Equity \$	Asset Revaluation Reserve \$	Share based payment Reserve \$	Accumulated Losses \$	Total Equity \$
<b>Balance at 1 July 2018</b>	27,523,594	144,976	748,053	(4,748,549)	23,668,074
Shares issued during the year	22,261,670	-	-	-	22,261,670
Performance rights issued during the year	-	-	273,377	-	273,377
Shares issue costs	(38,730)	-	-	-	(38,730)
Options issued during the year	-	-	-	-	-
Total comprehensive profit/(loss) for the year	-	-	-	(3,134,895)	(3,134,895)
<b>Balance at 30 June 2019</b>	<b>49,746,534</b>	<b>144,976</b>	<b>1,021,430</b>	<b>(7,883,444)</b>	<b>43,029,496</b>
<b>Balance at 1 July 2019</b>	49,746,534	144,976	1,021,430	(7,883,444)	43,029,496
Shares issued during the year	2,000,000	-	-	-	2,000,000
Performance rights issued during the year	-	-	69,047	-	69,047
Shares issue costs	(306,954)	-	-	-	(306,954)
Options issued during the year	-	-	581,877	-	581,877
Total comprehensive profit/(loss) for the year	-	-	-	1,043,504	1,043,504
<b>Balance at 30 June 2020</b>	<b>51,439,580</b>	<b>144,976</b>	<b>1,672,354</b>	<b>(6,839,940)</b>	<b>46,416,970</b>

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

# CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
<b>Cash flows from operating activities</b>			
ATO cash flow boost		82,350	-
Receipts from customers		560,724	699,036
Payments to suppliers and employees		(2,786,814)	(5,504,354)
Interest received		59,677	57,463
Net cash inflow/(outflow) from operating activities	22a	(2,084,063)	(4,747,855)
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(11,851)	(10,451)
Payments for purchase of tenements		(10,000)	-
Proceeds from sale of tenements		1,750,000	2,500,000
Payments for exploration, evaluation and mine development expenditure		(4,066,876)	(4,504,280)
Payments for mine production costs		(288,896)	-
Cash gained on merger with MacPhersons Resources Ltd		-	592,832
Payments for purchase of investments		-	(214,533)
Net cash inflow/(outflow) from investing activities		(2,627,623)	(1,636,432)
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		4,000,000	-
Proceeds from issues of shares		2,000,000	-
Proceeds from options exercised		-	1,077,128
Share issue costs		(306,954)	(38,729)
Payments for lease liability		(37,113)	-
Net cash (outflow)/inflow from financing activities		5,655,933	1,038,399
Net increase/(decrease) in cash and cash equivalents		944,247	(5,345,888)
Cash and cash equivalents at the beginning of the financial year		4,951,288	10,297,176
<b>Cash and cash equivalents at the end of the financial year</b>	7	<b>5,895,535</b>	<b>4,951,288</b>

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

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Reporting Entity

This financial report of Horizon Minerals Limited ('the Company') for the year ended 30 June 2020 comprises the Company and its subsidiaries (collectively referred to as 'the Consolidated Entity or the Group'). Horizon Minerals Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The financial report was authorised for issue in accordance with a resolution of Directors dated 30 September 2020.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report.

### 1a Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001*. The functional and presentation currency of Horizon Minerals Limited is in Australian Dollars.

### Compliance with IFRSs

The financial statements of Horizon Minerals Limited also comply with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

### New Accounting Standards and Interpretations

In the year ended 30 June 2020, the Company has reviewed and adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2019.

### New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2020.

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2020. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Company accounting policies.

### Historical Cost Convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets.

### Critical Accounting Estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 30.

### 1b Principles of consolidation

#### (i) Subsidiaries

The consolidated financial statements comprise the financial statements of Horizon Minerals Limited and its controlled entities, Black Mountain Gold Ltd and MacPhersons Resources Limited. MacPhersons Resources Limited was acquired on 14 June 2019 pursuant to a Scheme of Arrangement (refer to Note 24) including its subsidiaries (refer Note 27). As at 30 June 2020, Horizon Minerals Limited and its subsidiaries together are referred to in this financial report as the Consolidated Entity or the Group.

Control exists where the Company has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with the Company to achieve the objectives of the Company. All inter-company balances and transactions between entities in the Group, including any unrealised profits and losses have been eliminated on consolidation. Non-controlling interests in the results and equity of the consolidated entities are shown separately in the consolidated statement of comprehensive income and consolidated statement of financial position respectively.

Where control of an entity is obtained during a financial year, its results are included in the consolidated statement of comprehensive income from the date on which control commences. They are de-consolidated from the date that control ceases.



# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 1b Principles of consolidation (continued)

#### (ii) Joint ventures

Joint ventures entered into are not separate legal entities but rather are contractual arrangements between the participants for the sharing of costs and output and do not in themselves generate revenue and profit. Details of the joint ventures are set out in Note 32.

### 1c Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in other comprehensive income/equity are also recognised directly in other comprehensive income/equity.

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the reporting date.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

The Group is consolidated for income tax purposes effective 1 July 2016.

### 1d Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties. Revenue is recognised for major business activities as follows:

#### (i) Sale of gold

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable. Revenue is recognised when the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably and the amount of revenue can be measured reliably.

#### (ii) Interest income

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 1d Revenue recognition (continued)

#### (iii) Other services

Other debtors are recognised at the amount receivable and are due for settlement within 30 days from the end of the month in which services were provided.

### 1e Mineral prospects and exploration expenditure thereon

The Group's policy with respect to exploration expenditure is to write off all costs unless the directors and management are of the view that there is a reasonable prospect that the costs may be recovered in future income years. Costs that may reasonably be expected to be recovered are capitalised to the statement of financial position as a non-current asset and accumulated separately for each area of interest. Such expenditure comprises net direct cash and where applicable, an apportionment of related overhead expenditure.

Each area of interest is limited to a size related to a known or probably mineral resource capable of supporting a mining operation. Expenditure is not carried forward in respect of any area of interest unless the Group's right to tenure to that area of interest is current.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. At 30 June 2020, the Directors considered that the carrying value of the mineral tenement interests of the Group was as shown in the accounts and did not need adjusting.

Exploration and evaluation assets are transferred to Development Phase assets once technical feasibility and commercial viability of an area of interest is demonstrable. Exploration and evaluation assets are tested for impairment, and any impairment loss is recognised, prior to being reclassified.

### 1f Mine properties and mining assets

Mine properties represents the acquisition cost and/or accumulated exploration, evaluation and development expenditure in respect of areas of interest in which mining has commenced.

Mine development costs are deferred until commercial production commences. When commercial production is achieved mine development is transferred to mine properties, at which time it is amortised on a unit of production basis based on ounces mined over the total estimated resources related to this area of interest.

Significant factors considered in determining the technical feasibility and commercial viability of the project are the completion of a feasibility study, the existence of sufficient resources to proceed with development and approval by the board of Directors to proceed with development of the project.

#### Deferred stripping costs

Stripping is the process of removing overburden and waste materials from surface mining operations to access the ore. Stripping costs are capitalised during the development of a mine and are subsequently amortised over the life of mine on a units of production basis, where the unit of account is ounces of gold sold.

### 1g Non-derivative financial assets existing on or acquired after 1 July 2009

The classification and measurement model for financial assets existing on or acquired after 1 July 2009, the date the Group adopted AASB 9, is outlined below.

#### Financial assets at amortised cost and the effective interest rate method

A financial asset is measured at amortised cost if the following conditions are met:

- the objective of the Group's business model is to hold the asset to collect contractual cash flows;
- the contractual cash flows give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding; and
- the group does not irrevocably elect at initial recognition to measure the instrument at fair value through profit or loss to minimise an accounting mismatch.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 1g Non-derivative financial assets existing on or acquired after 1 July 2009 (continued)

Amortised cost instruments are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition the carrying amount of amortised cost instruments is determined using the effective interest method, less any impairment losses.

#### Financial assets at fair value through profit or loss

Financial assets other than equity instruments that do not meet the above amortised cost criteria are measured at fair value through profit or loss. This includes financial assets that are held for trading and investments that the Group manages based on their fair value in accordance with the Group's documented risk management and/or investment strategy.

Equity instruments are measured at fair value through profit or loss unless the Group irrevocably elects at initial recognition to present the changes in fair value in other comprehensive income as described below.

Upon initial recognition, financial assets measured at fair value through profit or loss are recognised at fair value and any transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

### 1h Impairment of assets

Mining tenements assets and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash flows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

### 1i Plant and equipment

Plant and equipment is stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit and loss during the financial period in which they are incurred.

Depreciation is calculated on a diminishing value basis to write off the net cost of each item of plant and equipment over its expected useful life to the Group. The expected useful lives are as follows:

Plant and equipment                      5 - 10 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1h).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit and loss.

### 1j Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off. An allowance account (provision for impairment of trade receivables) is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is recognised in the profit and loss.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 1k Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid, together with assets ordered before the end of the financial year. The amounts are unsecured and are usually paid within 30 days of recognition.

### 1l Employee benefits

#### (i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Annual leave has been accrued as at 30 June 2020.

#### (ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experiences of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Long service leave has been accrued as at 30 June 2020.

#### (iii) Share-based payments

Share-based compensation benefits are provided to directors through the granting of options and performance rights.

The fair value of options and performance rights granted by the Group are recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options and performance rights granted, which includes any market performance conditions but excludes the impact of any service and non-market performance vesting conditions and the impact of any non-vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options and performance rights that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

### 1m Cash and cash equivalents

For statement of cashflows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid instruments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

### 1n Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not incremental costs relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 1o Leases

AASB 16 replaces AASB 117 Leases. AASB 16 removes the classification of leases as either operating leases or finance leases-for the lessee – effectively treating all leases as finance leases. AASB 16 is applicable to annual reporting periods beginning on or after 1 July 2019.

#### *Impact on operating leases*

AASB 16 will change how the Company accounts for leases previously classified as operating leases under AASB 117, which were off-balance sheet. On initial application of AASB 16, for all leases (except as noted below), the Company will:

- Recognise right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the future lease payments.
- Recognise depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss.
- Separate the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the consolidated cash flow statement.

Lease incentives (e.g. rent-free period) will be recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under AASB 117 they resulted in the recognition of a lease liability incentive, amortised as a reduction of rental expenses on a straight-line basis.

Under AASB 16, right-of-use assets will be tested for impairment in accordance with AASB 136 Impairment of Assets. This will replace the previous requirement to recognise a provision for onerous lease contracts.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as personal computers and office furniture), the Company will opt to recognise a lease expense on a straight-line basis as permitted by AASB 16.

The Company has applied AASB 16 retrospectively with the effect of initially applying this standard recognised at the date of initial application, being 1 July 2019.

There is no material impact to profit or loss or net assets on the adoption of this new standard in the current or comparative periods, refer to Note 13 for further detail.

### 1p Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the current bid price: the appropriate quoted market price for financial liabilities is the current ask price.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values.

### 1q Goods and services tax

Revenues, expenses and assets are recognised net of the amount of associated goods and services tax (GST), unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

### 1r Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of acquisition as part of the purchase consideration.



# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 1r Contributed equity (continued)

If the entity reacquires its own equity instruments, e.g. as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

### 1s Provisions

Provisions for legal claims recognised when the Group has a present legal obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

### 1t Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the steering committee that makes strategic decisions.

### 1u Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the assets for its intended use or sale. Other borrowing costs are expensed.

### 1v Earnings per share

#### (i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

#### (ii) Diluted earnings per share

Diluted earnings per share adjusted the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

### 1w Rehabilitation costs

The Group's mining, extraction and processing activities give rise to obligations for site rehabilitation. Rehabilitation obligations can include facility decommissioning and dismantling; removal or treatment of waste materials; land rehabilitation; and site restoration. The extent of work required and the associated costs are estimated based on feasibility estimates using current restoration standards and techniques. Provisions for the cost of each rehabilitation program are recognised at the time that environmental disturbance occurs.

Rehabilitation provisions are initially measured at the expected value of future cash flows required to rehabilitate the relevant site.

At each reporting date the rehabilitation liability is re-measured to account for any new disturbance, updated cost estimates, changes to the estimated lives of operations and new regulatory requirements.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 1x Business combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or business under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred, and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. These provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

	2020 \$	2019 \$
<b>2 INTEREST INCOME</b>	<b>58,382</b>	<b>58,557</b>
<b>3 OTHER INCOME</b>		
ATO Cash Flow Boost	186,776	-
Profit on sale of tenement interest	2,684,450	2,500,000
Recovery of administration costs	122,658	120,526
Other income	62,559	137,677
	<b>3,056,443</b>	<b>2,758,203</b>
<b>4 EXPENSES</b>		
Profit/(loss) before income tax includes the following specific expenses:		
Cost of sales		
Mining and processing costs*	-	1,719,380
Cost of sales	-	1,719,380
Building and occupancy costs		
Rental expense - right of use asset	26,645	70,495
Rental abatement – COVID-19 relief – right of use asset	(12,382)	-
Interest expense – right of use asset (refer Note 13)	12,413	-
Amortisation – right of use asset (refer Note 13)	44,330	-
Other	42,443	15,808
Building and occupancy costs	113,449	86,303
Scheme of Arrangement transaction costs (refer Note 24)	-	1,734,427
* Mining and processing costs for year ended 30 June 2019 includes balance of monies paid in settlement of mining dispute as per ASX announcement dated 19 December 2018, net of amounts previously set aside. Refer to Note 28(d).		

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 5 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 activities. As such there are two reportable segments being Vanadium/Molybdenum tenements and Gold tenements.

2020	Vanadium/ Molybdenum \$	Gold \$	Total \$
Revenue	-	2,684,450	2,684,450
Profit/(loss) before income tax	-	324,241	324,241
<b>Total segment assets</b>	<b>756,367</b>	<b>44,231,032</b>	<b>44,987,399</b>

2019	Vanadium/ Molybdenum \$	Gold \$	Total \$
Revenue	-	241,406	241,406
Profit/(loss) before income tax	-	(2,571,306)	(2,571,306)
<b>Total segment assets</b>	<b>756,367</b>	<b>44,915,306</b>	<b>45,671,673</b>

	2020 \$	2019 \$
<b>5a Segment revenue</b>		
Segment revenue reconciles to revenue from continuing operations as follows:		
Segment revenue	2,684,450	241,406
Interest revenue	58,382	58,557
Other revenue	371,993	2,758,203
<b>Revenue from continuing operations</b>	<b>3,114,825</b>	<b>3,058,166</b>
<b>5b Segment profit/(loss)</b>		
Segment profit/(loss) reconciles to total comprehensive income as follows:		
Segment profit/(loss) before income tax	324,241	(2,571,306)
Interest revenue	58,382	58,557
Net change in value of financial assets at fair value through profit & loss	660,881	(622,146)
Unallocated costs net of other revenue	-	-
<b>Profit/(Loss) after income tax</b>	<b>1,043,504</b>	<b>(3,134,895)</b>

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	2020	2019
	\$	\$
<b>5 SEGMENT INFORMATION (CONTINUED)</b>		
<b>5c Segment assets</b>		
Segment assets reconcile to total assets as follows:		
Segment assets	44,987,399	45,671,673
Unallocated assets	10,161,877	605,461
<b>Total assets</b>	<b>55,149,276</b>	<b>46,277,134</b>
<b>5d Segment liabilities</b>		
The Group's liabilities are not reported to management on an individual segment basis, but rather reported on a consolidated basis.		
<b>6 INCOME TAX</b>		
<b>6a</b> The prima facie income tax expense on pre-tax accounting loss reconciles to the income tax expense in the financial statements as follows:		
Profit/(Loss) from continuing operations before income tax expense	1,043,504	(3,134,895)
Income tax expense/(benefit) calculated at 27.5% (2019: 27.5%)	286,964	(862,096)
Capital raising cost allowable	(53,659)	(36,776)
	233,305	(898,872)
Movements in unrecognised timing differences	400,848	308,278
Expenses that are not deductible in determining taxable profit	268,734	325,532
Movement in share revaluations	(181,742)	171,090
Tax losses recouped	(721,145)	-
Unused tax losses not recognised as a deferred tax asset	-	93,972
<b>Income tax benefit reported in the Statement of Profit or Loss and Other Comprehensive Income</b>	<b>-</b>	<b>-</b>
<b>6b</b> Unrecognised deferred tax balances:		
The following deferred tax assets (2020: 27.5%, 2019: 27.5%) have not been brought to Account:		
Unrecognised deferred tax asset – tax losses	3,477,045	3,073,250
Unrecognised deferred tax asset – capital losses	15,563	15,563
Unrecognised deferred tax liability – capitalised exploration expenses	(4,369,860)	(3,592,398)
Unrecognised deferred tax asset/(liability) – share investments	52,956	234,698
Unrecognised deferred tax asset – other temporary differences	78,161	88,246
<b>Net deferred tax assets/(liability) not brought to account</b>	<b>(746,135)</b>	<b>(180,641)</b>

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	2020	2019
	\$	\$
<b>6 INCOME TAX (CONTINUED)</b>		
<b>6c</b> The taxation benefits of tax losses and timing not brought to account will only be obtained if: <ul style="list-style-type: none"> <li>• assessable income is derived of a nature and of amount sufficient to enable the benefit from the deductions to be realised;</li> <li>• conditions for deductibility imposed by the law are complied with; and</li> <li>• no changes in tax legislation adversely affect the realisation of the benefit from the deductions.</li> </ul>		
<b>6d</b> In June 2019, Horizon acquired 100% of the issued capital of MacPhersons Resources Ltd and its subsidiaries – Refer Note 24 for details.  As at that date, it is estimated that MacPhersons Resources Ltd and its subsidiaries had approx. \$17M of unrecognised tax losses that have not been brought to account as an asset.  The group is currently assessing these losses to determine the extent to which these losses are available to be recouped from future assessable income.		
<b>7 CASH AND CASH EQUIVALENTS</b>		
Cash at bank and on hand	5,895,535	4,951,288
<b>Reconciliation to cash at the end of the year</b>		
The above figures are reconciled to cash at the end of the financial year as shown in the cash flow statement as follows:		
Balances as above	5,895,535	4,951,288
<b>Balances per statement of cash flows</b>	<b>5,895,535</b>	<b>4,951,288</b>
<b>8 TRADE AND OTHER RECEIVABLES</b>		
Trade receivables (i)	48,183	423,690
Other receivables – ATO receivables	376,110	76,740
Other receivables – sale of tenement – deferred payment (ii)	3,250,000	-
Prepayment and other receivables	37,602	38,367
Accrued interest	25	1,321
Term deposit – bonds & credit card security deposit	17,100	17,100
	<b>3,729,020</b>	<b>557,218</b>

- (i) During the year ended 30 June 2020, \$244,561 of receivables was determined unrecoverable and impaired.
- (ii) During the year, the Company divested 100% of its interest in the Menzies and Goongarrie gold projects to Kingwest Resources Limited (ASX: KWR). As per the ASX announcement on 9 July 2019, total consideration for the projects were \$8M.

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

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



# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	2020	2019
	\$	\$
<b>8 TRADE AND OTHER RECEIVABLES (CONTINUED)</b>		
<b>Term deposits</b>		
The deposits have maturity periods of between 3 and 12 months, but can be readily convertible to cash at short notice, at interest rates of 1% (2019: 2.4% and 2.5%). Refer to Note 29 regarding risk exposures. Term deposits with a maturity over three months are included in current receivables.		
<b>Effective interest rates and credit risk</b>		
Information concerning the effective interest rate and credit risk of both current and non-current receivables is set out below.		
<b>Interest rate risk</b>		
All receivable balances are non-interest bearing.		
<b>Credit rate risk</b>		
There is no concentration of credit risk with respect to current and non-current receivables. Refer to Note 29 for further information on the Group's risk management policies. Due to short term nature, fair value approximates carrying value.		
<b>9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		
Shares in listed companies at market value	4,266,342	605,461
	<b>4,266,342</b>	<b>605,461</b>
Included is \$1,266,342 (2019: \$605,461) of shares and options held in Reward Minerals Ltd and \$3,000,000 of shares held in Kingwest Resources Limited.		
The net change in fair value on financial assets at fair value through profit or loss for the year was a gain of \$660,881 (2019 Loss: \$622,146).		
All financial assets at fair value through profit or loss are denominated in Australian currency. Refer to Note 29 for further information concerning the price and foreign currency risk.		
<b>10 OTHER ASSETS</b>		
Security deposits	257,927	257,927
	<b>257,927</b>	<b>257,927</b>
The security deposits arise from monies held in trust accounts or lodged with appropriate authorities in relation to mining tenements held. The Group has restricted access to these funds, but they are expected to be reimbursed in the future.		

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	2020 \$	2019 \$
<b>11 PROPERTY, PLANT &amp; EQUIPMENT</b>		
Plant and equipment at cost	4,543,998	4,532,147
Accumulated depreciation and impairment	(2,290,967)	(2,190,256)
<b>Total plant and equipment</b>	<b>2,253,031</b>	<b>2,341,891</b>
Property at cost	518,054	518,054
Accumulated depreciation and impairment	(227,800)	(210,989)
<b>Total property</b>	<b>290,254</b>	<b>307,065</b>
Motor vehicles – at cost	324,544	324,544
Accumulated depreciation	(290,431)	(279,150)
<b>Total motor vehicles</b>	<b>34,113</b>	<b>45,394</b>
	<b>2,577,398</b>	<b>2,694,350</b>
<b>RECONCILIATIONS</b>		
<b>11a Plant and equipment</b>		
Carrying amount at beginning of the year	2,341,891	109,610
Additions	11,851	10,452
Additions acquired under Scheme of Arrangement	-	2,253,892
Disposals	-	(9,877)
Depreciation	(100,711)	(22,186)
<b>Carrying amount at end of year</b>	<b>2,253,031</b>	<b>2,341,891</b>
<b>11b Property</b>		
Carrying amount at beginning of the year	307,065	93,546
Additions acquired under Scheme of Arrangement	-	216,889
Depreciation	(16,811)	(3,370)
<b>Carrying amount at end of year</b>	<b>290,254</b>	<b>307,065</b>
<b>11c Motor Vehicle</b>		
Carrying amount at beginning of year	45,394	-
Additions acquired under Scheme of Arrangement	-	46,100
Depreciation	(11,281)	(706)
<b>Carrying amount at end of year</b>	<b>34,113</b>	<b>45,394</b>

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	2020 \$	2019 \$
<b>12 EXPLORATION, EVALUATION, DEVELOPMENT AND PRODUCTION EXPENDITURE</b>		
During the year ended 30 June 2020, the Group incurred and capitalised the following exploration, evaluation, development and production expenditure:		
<b>12a Exploration and evaluation phase</b>		
Carrying amount at beginning of the year	35,375,688	12,717,664
Capitalised during the year	3,900,262	3,736,124
Reclassification of mine properties	1,835,202	-
Tenements acquired under Scheme of Arrangement	-	19,115,999
Purchases of tenements	10,000	-
Sale of tenements	(5,365,404)	-
Impairment loss on tenements *	-	(194,099)
<b>Carrying amount at end of year</b>	<b>35,755,748</b>	<b>35,375,688</b>
<b>12b Mine properties</b>		
Carrying amount at beginning of the year	1,835,202	1,094,946
Reclassification of mine properties**	(1,835,202)	-
Capitalised during the year	-	740,256
Amortised during the year	-	-
<b>Carrying amount at end of year</b>	<b>-</b>	<b>1,835,202</b>
<b>Total exploration and mine properties</b>	<b>35,755,748</b>	<b>37,210,890</b>
<b>12c Mining production expenditure</b>		
Carrying amount at beginning of the year	-	-
Capitalised during the year***	2,504,762	-
Amortised during the year	-	-
<b>Carrying amount at end of year</b>	<b>2,504,762</b>	<b>-</b>
<b>Total mining production</b>	<b>2,504,762</b>	<b>-</b>

**\* Impairment of mining tenements**

During the year ended 30 June 2020, there were no impairment losses recorded.

An impairment loss of \$194,099 was recorded against the mining tenements as at 30 June 2019 to reduce the carrying value to what is anticipated to be at least the market value of the tenements.

The ultimate recoupment of expenditure above relating to the exploration and evaluation phase is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

**\*\* Reclassification of mine properties**

The Group has reclassified prior allocated mine development expenditure as exploration expenditure.

**\*\*\* Mine production expenditure**

Costs relate to Boorara Gold Project, of which mining commenced in May 2020. These costs will be expensed in line with revenue recognised from this project.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	2020 \$	2019 \$
<b>13 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>		
At July 2019	206,874	-
Amortisation	(44,330)	-
At 30 June 2020	162,544	-
<b>Lease liability</b>		
At 1 July 2019	206,874	-
Lease payments	(49,526)	-
Interest expense	12,413	-
At 30 June 2020	169,761	-
Current lease liability	49,526	-
Non-current lease liability	120,235	-
Total lease liability	169,761	-
<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>	44,330	-
	<b>44,330</b>	-

The total cash outflow for the lease in the twelve months to 30 June 2020 was \$49,526.

On 1 July 2019, the Company held one lease for the head office based in Nedlands. The lease was renewed on 22 February 2020 for a further two year period with an option to extend for another two years thereafter.

The office lease was reclassified from an operating lease as payments were made each month under the previous AASB117, to recognising a lease liability and a ROU asset in its balance sheet under the new AASB16. Refer to Note 10 for further details.

	2020 \$	2019 \$
<b>14 TRADE AND OTHER PAYABLES</b>		
Trade payables	3,102,808	669,320
Accrued expenses	41,850	155,992
Accrued employee entitlements	242,373	164,902
	<b>3,387,031</b>	<b>990,214</b>

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	2020 \$	2019 \$
<b>15 BORROWINGS</b>		
Loan funds borrowed	4,000,000	-
Accrued interest	245,479	-
	<b>4,245,479</b>	<b>-</b>
<p>During the year ended 30 June 2020, the Group obtained external financing.</p> <p>The loan is secured over mining tenements M26/29 and M26/318, being the Boorara Gold Project for a period of 12 months, carrying an interest rate of 20% p.a.</p> <p>In addition to loan funds borrowed, unlisted options were issued to the borrower as follows:</p> <ul style="list-style-type: none"> <li>• 12,000,000, with an exercise price of \$0.12 expiring 30 September 2022.</li> <li>• 12,000,000, with an exercise price of \$0.16 expiring 30 September 2022.</li> </ul>		
<b>16 PROVISIONS</b>		
Rehabilitation of mine site	930,035	1,057,424
Stamp duty	-	1,200,000
	<b>930,035</b>	<b>2,257,424</b>

	2020 No.	2019 No.	2020 \$	2019 \$
<b>17 CONTRIBUTED EQUITY</b>				
<b>17a Share capital</b>				
At the beginning of the year	427,975,200	227,192,119	49,746,534	27,523,594
Shares issued under Scheme of Arrangement	-	192,586,736	-	21,184,541
Options conversion	-	8,196,345	-	1,077,129
Shares issued at \$0.08	25,000,000	-	2,000,000	-
Capital raising costs	-	-	(306,954)	(38,730)
<b>Total Contributed Equity</b>	<b>452,975,200</b>	<b>427,975,200</b>	<b>51,439,580</b>	<b>49,746,534</b>

## 17b Terms and conditions of contributed equity

### Ordinary shares

Ordinary shares have no par value. Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 17 CONTRIBUTED EQUITY (CONTINUED)

### 17c Options

	Unlisted Options No.	Unlisted Options No.	Unlisted Options No.	Unlisted Options No.	Unlisted Options No.	Total No.
Exercise Price	\$0.25	\$0.2912	\$0.6988	\$0.12	\$0.16	
Expiry date	31 Aug 2019	9 Dec 2019	28 Feb 2020	30 Sept 2022	30 Sept 2022	
Balance at 1 July 2019	500,000	2,743,184	219,456	-	-	3,462,640
Issued during the year	-	-	-	12,000,000	12,000,000	24,000,000
Expired during the year	(500,000)	(2,743,184)	(219,456)	-	-	(3,462,640)
Exercised during the year	-	-	-	-	-	-
<b>Balance at 30 June 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,000,000</b>	<b>12,000,000</b>	<b>24,000,000</b>

	Listed Options No.	Unlisted Options No.	Unlisted Options No.	Unlisted Options No.	Unlisted Options No.	Unlisted Options No.	Total No.
Balance at 1 July 2018	24,620,579	2,500,000	1,750,000	500,000	-	-	29,370,579
Issued under Scheme of Arrangement	-	-	-	-	2,743,184	219,456	2,962,640
Expired during the year	(20,674,234)	-	-	-	-	-	(20,674,234)
Exercised during the year	(3,946,345)	(2,500,000)	(1,750,000)	-	-	-	(8,196,345)
<b>Balance at 30 June 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>500,000</b>	<b>2,743,184</b>	<b>219,456</b>	<b>3,462,640</b>

### 17d Performance Rights

As at 30 June 2020, there were 2,400,000 performance rights on issue that, if the vesting conditions are met, could result in the issue of 2,400,000 ordinary shares in the Company. These performance rights lapsed on 1 July 2020.



# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	<b>2020</b> \$	<b>2019</b> \$
<b>18 RESERVES AND ACCUMULATED LOSSES</b>		
<b>18a (i) Asset revaluation reserve</b>		
Opening balance	144,976	144,976
<b>Closing Balance</b>	<b>144,976</b>	<b>144,976</b>
<b>(ii) Share based payments reserve</b>		
Opening balance	1,021,430	748,053
Performance rights issued during the year	69,047	273,377
Options issued under borrowings agreement	581,877	-
<b>Closing Balance</b>	<b>1,672,354</b>	<b>1,021,430</b>
<b>Total Reserves</b>	<b>1,817,330</b>	<b>1,166,406</b>
<b>18b Accumulated losses</b>		
Opening balance	(7,883,444)	(4,748,549)
Profit/ (loss) for the year	1,043,504	(3,134,895)
<b>Closing balance</b>	<b>(6,839,940)</b>	<b>(7,883,444)</b>
<i>Asset Revaluation Reserve</i>		
The Asset Revaluation Reserve is used to record increments and decrements on the revaluation of non-current assets.		
<i>Share Based Payments Reserve</i>		
The Share Based Payments Reserve is used to recognise the fair value of shares, options and performance rights granted as remuneration.		
<b>19 EARNINGS PER SHARE</b>		
Operating profit/(loss) after tax attributable to members of Horizon Minerals Limited	1,043,504	(3,134,895)
Basic earnings (loss) per share	0.24 cents	(1.29) cents
Diluted earnings (loss) per share	0.24 cents	(1.29) cents
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share.	435,029,995	243,487,887
	<b>2020</b> \$	<b>2019</b> \$
<b>20 REMUNERATION OF AUDITORS</b>		
Remuneration for audit services and review of the financial reports of the parent entity or any entity in the Group to Rothsay Auditing. No other fees were paid or payable for services provided by the auditor of the parent, related practices or non-related audit firms.		
Rothsay Auditing	55,000	41,500
	<b>55,000</b>	<b>41,500</b>

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	2020 \$	2019 \$
<b>21 KEY MANAGEMENT PERSONNEL DISCLOSURES</b>		
<b>21a Details of remuneration</b>		
Short-term benefits	718,550	829,124
Post-employment benefits	57,076	72,702
Share based payments	54,663	224,560
	<b>830,289</b>	<b>1,126,386</b>
<b>22 STATEMENT OF CASH FLOWS</b>		
<b>22a Reconciliation of net cash from operating activities to Profit/(Loss) after income tax</b>		
Operating Profit/(Loss) after income tax	1,043,504	(3,134,895)
Depreciation	128,803	26,262
Net change in fair values of financial assets at fair value through profit or loss	(660,881)	622,146
Profit on sale of tenement	(2,634,596)	(2,500,000)
(Gain)/loss on disposal of plant and equipment	-	983
Impairment loss on tenements	(127,389)	194,099
Share based payment	650,924	273,377
Other	(95,081)	(20,257)
Movement in assets and liabilities:		
Provisions	(1,142,624)	1,154,728
Receivables	321,993	307,712
Prepayments	765	(841)
Lease liabilities	(14,434)	-
Trade creditors and accruals	444,953	(1,671,169)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(2,084,063)</b>	<b>(4,747,855)</b>

## 23 SHARE BASED PAYMENTS

### 23a Year ended 30 June 2020

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

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

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

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

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 23 SHARE BASED PAYMENTS (CONTINUED)

### 23a Year ended 30 June 2020 (continued)

The Performance Conditions relating to Performance Rights on issue during the previous and current income year are as follows:

- Class D Performance Rights – Prior to 1 July 2019 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.
- Class E Performance Rights – Prior to 1 July 2020 the volume weighted average price of the Company's Shares over 20 consecutive trading days on which the Shares trade is 30 cents or more.
- Class F Performance Rights – Prior to 1 July 2018 the volume weighted average price of the Company's Shares over 5 consecutive trading days on which the Shares trade is 18 cents or more.

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

	Class D	Class E	Class F	Total
Number granted	3,300,000	3,300,000	300,000	<b>6,900,000</b>
Grant date	23-Nov-17	23-Nov-17	23-Nov-17	
Expiry date of milestone achievements	01-Jul-19	01-Jul-20	01-Jul-18	
Share price hurdle	25 cents	30 cents	18 cents	
Fair value per right*	0.0938	0.1019	0.135	
Total fair value that would be recognised over the vesting period if rights are vested	262,640	285,320	40,500	<b>588,460</b>
Number cancelled at 30 June 2018	500,000	500,000	0	<b>1,000,000</b>
Number vested at 30 June 2018	0	0	300,000	<b>300,000</b>
Number remaining at 30 June 2018	2,800,000	2,800,000	0	<b>5,600,000</b>
Number remaining at 30 June 2019	2,800,000	2,800,000	0	<b>5,600,000</b>
Number cancelled at 30 June 2020	2,800,000	400,000	0	<b>3,200,000</b>
Number remaining at 30 June 2020	0	2,400,000	0	<b>2,400,000</b>
Amount expended in 2018	98,770	66,005	40,500	<b>205,275</b>
Amount expended in 2019	163,870	109,507	0	<b>273,377</b>
Amount expended in 2020	0	69,047	0	<b>69,047</b>

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 23 SHARE BASED PAYMENTS (CONTINUED)

### 23a Year ended 30 June 2020 (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 D	Class E	Class F
Spot price	\$0.135	\$0.135	n/a
Vesting hurdle	\$0.25	\$0.30	\$0.18
Exercise price	Nil	Nil	Nil
Expiry period (years)	1-Jul-19	1-Jul-20	1-Jul-18
Expected future volatility	90%	90%	90%
Risk free rate	1.79%	1.91%	1.79%
Dividend yield	Nil	Nil	Nil

During the year ended 30 June 2020, \$69,047 was recognised as a share based payment made to directors and employees, with the fair value being recognised over the vesting period.

### 23b Option issue

In April 2020, 24,000,000 unlisted options were issued pursuant to the Group's loan agreement with a third party.

During the year ended 30 June 2020, \$581,877 was expensed to share based payments.

The fair value of these options granted was calculated using the Black-Scholes option valuation methodology and applying the following inputs:

	<b>12,000,000</b>	<b>12,000,000</b>
Weighted average exercise price (cents)	0.12	0.16
Weighted average life of the options (years)	2.208	2.208
Weighted average underlying share price (cents)	0.065	0.065
Expected share price volatility	100%	100%
Risk-free interest rate	0.92%	0.92%
Grant date	15 April 2020	15 April 2020
Expiry date	30 June 2022	30 June 2022
Value per option	\$0.026	\$0.022
Total value granted	\$316,155	\$265,722

## 24 BUSINESS COMBINATION

### Acquisition

On 14 June 2019, Horizon acquired 100% of MacPhersons Resources Limited and its subsidiaries' Kalgoorlie Ore Treatment Company Pty Ltd and Polymetals (WA) Pty Ltd under a Scheme of Arrangement, under which Horizon issued 192,586,736 ordinary shares to MacPhersons Resources' shareholders. The Company also issued 2,962,640 unlisted replacement options to MacPhersons Resources' option holders with various exercise prices and expiry dates.

The total cost of the combination was \$21,184,541 and comprised an issue of shares and options. The consolidated entity issued 192,586,736 ordinary shares with a fair value of 11 cents each, based on the quoted price of the share on Horizon Minerals Ltd on the Implementation Date of the Scheme of Arrangement. The 2,962,640 unlisted replacement options were valued based with the Black-Scholes valuation method. Key variables in the option valuation include the price of date of issue of 11 cents, a risk free rate of 1.5% and volatility of 75%.

### Consideration transferred

On the acquisition date, 14 June 2019, the fair value of consideration transferred was recorded as:

Shares issued, at fair value	\$ 21,184,541
Options issued, Black-Scholes valuation	-
<b>Total purchase consideration</b>	<b>21,184,541</b>

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 24 BUSINESS COMBINATION (CONTINUED)

### *Assets acquired and liabilities assumed at the date of acquisition*

The Consolidated Entity recognised the fair values of the identifiable assets and liabilities of MacPhersons Resources as follows.

	\$
Cash	592,832
Trade and other receivables	69,944
Exploration	19,117,827
Property, plant and equipment	2,517,630
Trade and other payables	(110,996)
Provisions	(1,002,696)
<b>Net identifiable assets acquired</b>	<b>21,184,541</b>

### *Net cash inflow from transaction*

Net cash acquired under scheme of arrangement	592,832
<b>Net cash inflow</b>	<b>592,832</b>

### *Impact of acquisition on the results of the consolidated entity*

If the business combination had taken place at the beginning of the year ended 30 June 2019, the loss of the Consolidated Entity for year ended 30 June 2019 would have been \$5,547,173 and the revenue from continuing operations would have been \$3,163,143.

	2020 \$	2019 \$
<b>25 COMMITMENTS FOR EXPENDITURE</b>		
<b>25a Exploration expenditures</b>		
Commitments for minimum expenditure requirements on the mineral exploration assets it has an interest in are payable as follows:		
Within one year	2,945,000	3,700,000
Later than one year but not later than five years	3,000,000	4,000,000
Later than five years	3,000,000	4,500,000
	<b>8,945,000</b>	<b>12,200,000</b>
<b>26 RELATED PARTY TRANSACTIONS</b>		
<b>26a Directors / Key Management Personnel</b>		
<b>Other transactions with Director related entities</b>		
Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Disclosures relating to Key Management Personnel are set out in Note 21 and the Remuneration Report.		
<b>26b Subsidiaries</b>		
See Note 27 for further details regarding subsidiaries.		

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 27 INVESTMENT IN CONTROLLED ENTITIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1(b):

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding	
			2020 %	2019 %
<b><u>Direct Subsidiaries</u></b>				
Black Mountain Gold Ltd	Australia	Ordinary	100	100
MacPhersons Resources Limited	Australia	Ordinary	100	100
CGP Minerals Pty Ltd	Australia	Ordinary	100	100
CGP Assets Pty Ltd	Australia	Ordinary	100	100
<b><u>Indirect Subsidiaries</u></b>				
Kalgoorlie Ore Treatment Company Pty Ltd	Australia	Ordinary	100	100
Polymetals (WA) Pty Ltd	Australia	Ordinary	100	100

MacPhersons Resources Limited was acquired on 14 June 2019 pursuant to a Scheme of Arrangement (refer to Note 24).

The indirect subsidiaries are direct subsidiaries of MacPhersons Resources Limited.

Horizon Minerals Ltd, incorporated in Australia, is the ultimate parent entity of the Group.

## 28 CONTINGENT LIABILITIES

- 28a** Native title claims have been made with respect to areas which include tenements in which Horizon Minerals Limited 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.
- 28b** 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 Minerals Limited and its controlled entities are not able to determine the nature or extent of any further liability in view of changing environmental requirements.
- 28c** Horizon Minerals Limited 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.
- 28d** The Company announced to the ASX on 30 April 2018, that it had received a purported cost variation claim from Resource Mining relating to the Teal Stage 1 project up until September 2017 and that it was working to resolve this and any additional claims that may be forthcoming from Resource Mining. The Company subsequently received a further purported cost variation claim from Resource Mining for Teal Stages 1 and 2 through to project completion. This further purported cost variation claim adopts a different methodology to the previous claim.

In December 2018, Horizon and Resource Mining agreed to a full and final settlement of this matter. The total disputed variation claims amount was split on a 50:50 basis, while the remaining net operating cash was split 75% to Horizon and 25% to Resource Mining as originally agreed under the mining contract between the parties.



# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 29 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks; market risk (including fair value interest rate risk foreign currency risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by the Board of Directors, who identify, evaluate and manage financial risks as they consider appropriate.

### 29a Market risk

#### *Price risk*

The Group is exposed to equity securities price risk. This arises from investments held by the Group and classified on the statement of financial position as financial assets at fair value through profit and loss of \$4,266,342 (2019: \$605,461).

The investments assets are classified as financial asset at fair value through profit and loss and any changes to their value is recognised in profit and loss when incurred. The group have used an equity price change of 70% upper and lower representing a reasonable possible change based upon the weighted average historic share price volatility over the last 12 months on the investment portfolio held. If the value of the investments held had moved in accordance with the volatility, and all other factors kept constant, the impact on the profit and loss for the year ended 30 June 2020 would have been  $\pm$  \$2,896,439 (2019:  $\pm$  \$423,823).

#### *Fair value interest rate risk*

Refer to (e) below.

### 29b Credit risk

Credit risk is the risk of financial loss to the Group is a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Presently, the Group undertakes mining, exploration and evaluation activities exclusively in Australia. At the balance sheet date there were no significant concentrations of credit risk.

#### (i) Cash and cash equivalents

The Group limits its exposure to credit risk by only investing in liquid securities and only with major Australian financial institutions.

#### (ii) Trade and other receivables

The Group's trade and other receivables relate to gold sales, GST refunds and other income.

The Group has determined that its credit risk exposure on all other trade receivables is low, as customers are considered to be reliable and have short contractual payment terms. Management does not expect any of these counterparties to fail to meet their obligations.

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Carrying Amount	
	2020	2019
	\$	\$
Cash and cash equivalents	5,895,535	4,951,288
Trade and other receivables	3,729,020	557,218
<b>Total</b>	<b>9,624,555</b>	<b>5,508,506</b>

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 29 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 29c Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through the ability to raise further funds on the market and the ability to close-out market positions. Due to the dynamic nature of the underlying businesses, the Board aims at maintaining flexibility in funding through management of its cash resources.

Maturities of financial liabilities.

30 June 2020 Group	Less than 6 months	6 – 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying Amount (assets)/ liabilities	Interest Rate (% p.a.)
<b>Non-derivatives</b>	\$	\$	\$	\$	\$	\$	\$	
Non-interest bearing payables	3,387,031	-	-	-	-	-	3,387,031	-
Fixed rate borrowings	-	4,000,000	-	-	-	-	4,000,000	20%
<b>Total non-derivatives</b>	<b>3,387,031</b>	<b>4,000,000</b>	-	-	-	-	<b>7,387,031</b>	

30 June 2019 Group	Less than 6 months	6 – 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying Amount (assets)/ liabilities	Interest Rate (% p.a.)
<b>Non-derivatives</b>	\$	\$	\$	\$	\$	\$	\$	
Non-interest bearing payables	291,623	-	-	-	-	-	291,623	-
Fixed rate borrowings	-	-	-	-	-	-	-	-
<b>Total non-derivatives</b>	<b>291,623</b>	-	-	-	-	-	<b>291,623</b>	

### 29d Cash flow and fair value interest rate risk

As the Group has no significant variable interest-bearing assets, the Group's income and operating cash flows are not exposed to changes in market interest rates.

### 29e Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

AASB 7 *Financial Instruments: Disclosures* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1),
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 29e Fair value measurements (continued)

The following table presents the group's assets and liabilities measured and recognised at fair value at 30 June 2020 and 30 June 2019:

At 30 June 2020	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Financial assets at fair value through profit or loss				
- Trading Securities	4,266,342	-	-	4,266,342
Other financial assets				
- Security deposits	257,927	-	-	257,927
<b>Total assets</b>	<b>4,524,269</b>	<b>-</b>	<b>-</b>	<b>4,524,269</b>

At 30 June 2019	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Financial assets at fair value through profit or loss				
- Trading Securities	605,461	-	-	605,461
Other financial assets				
- Security deposits	257,927	-	-	257,927
<b>Total assets</b>	<b>863,388</b>	<b>-</b>	<b>-</b>	<b>863,388</b>

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments.

## 29f Capital risk management

In employing its capital (or equity as it is referred to on the statement of financial position) the Group seeks to ensure that it will be able to continue as a going concern and provide value to shareholders by way of increased market capitalisation. The Group has invested its available capital in intangible assets such as acquiring and exploring mining tenements and in investments. As is appropriate at this stage, the Group is funded predominantly by equity.

## 30 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

### (i) Exploration & Evaluation Expenditure

The Group's accounting policy for exploration and evaluation is set out in Note 1(e). If, after having capitalised expenditure under this policy, the Directors conclude that the Group is unlikely to recover the expenditure by future exploration or sale, then the relevant capitalised amount will be written off to the Statement of Comprehensive Income.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	2020 \$	2019 \$
<b>31 PARENT ENTITY FINANCIAL INFORMATION</b>		
Current assets	8,426,112	7,459,106
Non-current assets	42,545,639	39,060,120
<b>Total assets</b>	<b>50,971,751</b>	<b>46,519,226</b>
Current liabilities	5,201,313	1,783,235
Non-current liabilities	220,235	100,000
<b>Total liabilities</b>	<b>5,421,548</b>	<b>1,883,235</b>
<b>Net assets</b>	<b>45,550,203</b>	<b>44,635,991</b>
<b>Equity</b>		
Contributed equity	51,439,580	49,746,534
Reserves	1,817,330	1,166,406
Accumulated losses	(7,706,707)	(6,276,949)
<b>Total equity</b>	<b>45,550,203</b>	<b>44,635,991</b>
<b>Profit/(Loss) for the year</b>	<b>(1,429,758)</b>	<b>(2,715,930)</b>

## 32 JOINT VENTURES

Horizon Minerals Limited and its controlled entity Black Mountain Gold Ltd (BMG) have interests in unincorporated joint ventures as follows:

Name of Joint Venture	Notes	Exploration For	2020	2019
Otto Bore	a	Gold	3% gross gold royalty	3% gross gold royalty
Nanadie Well***	b	Copper	100%	100%
Richmond	c	Vanadium	75%	100%

A joint venture is not a separate legal entity. It is a contractual arrangement between the participants for the sharing of costs and output and does not in itself generate revenue and profit.

**32a** Barrick (PD) Australia Limited, through its subsidiary Barrick (Plutonic) Limited, earned a 75% interest in the Otto Bore Tenements. Horizon elected in 2000 to assign the tenements to Plutonic and revert to a 3% gross gold royalty.

**32b** In December 2013, Mithril Resources Ltd (MTH) and its wholly owned subsidiary Minex (West) Pty Ltd entered into a farm-in and joint venture agreement with Horizon Minerals Limited to acquire up to 75% interest of the Nanadie Well Gold Project. Minex may acquire a 60% interest in the Tenements by expending \$2M, Minex may elect to acquire a further 15% interest (for a total 75% interest) by expending a further \$2M in a two year period with a minimum ground exploration cost of at least \$400,000 each year of the 2 year period.

\*\*\*The Nanadie Well project was divested subsequent to 30 June 2020. Refer to Note 34(b) for further detail.

**32c** In March 2017, the Company finalised a strategic development JV with Richmond Vanadium Technology Pty Ltd ("RVT") (formerly AXF Vanadium Pty Ltd), a wholly owned subsidiary of the AXF Group. The JV covers Horizon's 100% interest in the Richmond vanadium project in North West Queensland which include metal rights at the nearby Julia Creek project which is owned by Global Oil Shale Plc. The project tenements cover 1,520km<sup>2</sup> of Cretaceous Toolebuc Formation. In February 2018, RVT had committed to the second stage expenditure commitment of A\$5 million over 3 years inclusive of a Feasibility Study.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 33 JOINT OPERATIONS

A Mining and Finance Heads of Agreement was executed with Resource Mining Pty Ltd ("RM") on 7 October 2016 in relation to the development of the Teal Gold Project Stage 1 (TS1) as announced to the ASX on 19 July 2016.

Under the agreement, the net operating cash from mining operations was split 75% to Horizon and 25% to RM.

As at 30 June 2018, final ore processing at TS1 was completed, and profit shares due to RM had been included as payables at 30 June 2018. In December 2018, RM and Horizon agreed a further settlement of disputed amounts

and all payments were made pursuant to the settlement agreement by 31 December 2018. Refer to Note 28(d) for further information.

## 34 EVENTS OCCURRING AFTER REPORTING DATE

(a) Subsequent to year end, 2,400,000 Class E Performance Rights lapsed.

### (b) Nanadie Well Copper Project

In July 2020, the Group reached an agreement with Cyprium Metals Limited (ASX: CYM) ("Cyprium") to divest the Nanadie Well copper project near Meekatharra in the Murchison District of Western Australia.

Horizon took 100% control of the Nanadie Well in the December quarter of 2019 following the withdrawal of its then joint venture partner. The divestment comprises exploration license E51/1040 and Mining License M51/887 covering 45km<sup>2</sup>. Under the Agreement, Cyprium will pay \$1.5 million in cash and shares (priced on a 20 day VWAP basis) on the following terms:

- \$250,000 in cash and \$400,000 in Cyprium shares on completion
- \$350,000 in Cyprium shares 12 months from completion
- \$300,000 in Cyprium shares 24 months from completion
- \$200,000 in Cyprium shares on a decision to mine from the tenure

### (c) Capital Raising

In August 2020, the Group announced a Share Placement Plan for 115 million ordinary shares at \$0.14 per share to raise \$16.1 million before share issue costs.

Settlement of the Placement will occur in two tranches:

- Tranche 1 comprises the issue of 57.5 million Placement Shares (\$8.05 million) pursuant to Listing Rules 7.1 and 7.1A. No shareholder approval is required for the issue of shares in Tranche 1 which settled on 21 August 2020.
- Tranche 2, which is subject to shareholder approval at a General Meeting to be held on 25 September 2020, comprises the issue of a further 57.5 million Placement Shares (\$8.05 million).

New shares issued under the Placement will rank equally with existing ordinary shares on issue.

Proceeds from the Placement and existing cash reserves will be used to progress its exploration activities over various projects.

(d) In July 2020, Mr Peter Bilbe stepped down as Chairman, remaining as Non-Executive Director and Mr Ashok Parekh assumed the role of Chairman.

There are no other matters or circumstances that have arisen since 30 June 2020 that have or may significantly affect the operations, results, or state of affairs of the Group in future financial periods.

# INDEPENDENT AUDIT REPORT TO THE MEMBERS OF HORIZON MINERALS LIMITED



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

### Report on the Audit of the Financial Report

#### *Opinion*

We have audited the financial report of Horizon Minerals Limited ("the Company") and its controlled entities ("the Group") which comprises the consolidated statement of financial position as at 30 June 2020, 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 year then ended on that date and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration of the Company.

In our opinion the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### *Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of this report. We are independent of the Group 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



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# INDEPENDENT AUDIT REPORT TO THE MEMBERS OF HORIZON MINERALS LIMITED



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORIZON MINERALS LIMITED (continued)

<b><i>Key Audit Matter - Financial assets</i></b>	<b><i>How our Audit Addressed the Key Audit Matter</i></b>
<p>The Group's financial assets make up 25% of total assets by value and are considered to be the key driver of the Group's operations.</p> <p>We do not consider financial assets to be at a high risk of significant misstatement or to be subject to a significant level of judgement.</p> <p>However due to their materiality in the context of the financial statements as a whole, they are considered to be the area which had an effect on our overall strategy and allocation of resources in planning and completing our audit.</p>	<p>Our procedures over the existence and valuation of the Group's financial assets included but were not limited to:</p> <ul style="list-style-type: none"> <li>• Documenting and assessing the processes and controls in place to record cash transactions;</li> <li>• Testing a sample of cash payments to determine they were bona fide payments, were properly authorised and recorded in the general ledger; and</li> <li>• Agreeing valuations to third party sources;</li> <li>• Agreeing significant financial assets to independent third-party documentation or confirmations.</li> </ul> <p>We have also assessed the appropriateness of the disclosures included in the financial report.</p>
<b><i>Key Audit Matter - Exploration and evaluation expenditure</i></b>	<b><i>How our Audit Addressed the Key Audit Matter</i></b>
<p>The Group continues to capitalise a significant amount of exploration and evaluation expenditure. The balance at year end makes up 69% of the total asset base.</p> <p>We do not consider exploration and evaluation expenditure to be at a high risk of significant misstatement, or to be subject to a significant level of judgement.</p> <p>However due to the materiality in the context of the financial statements as a whole, this is considered to be an area which had an effect on our overall strategy and allocation of resources in planning and completing our audit.</p>	<p>Our procedures in assessing exploration and evaluation expenditure included but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• We assessed exploration and evaluation expenditure with reference to AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>.</li> <li>• We tested a sample of exploration and evaluation expenditure to supporting documentation to ensure they were bona fide payments; and</li> <li>• We documented and assessed the processes and controls in place to record exploration and evaluation transactions.</li> </ul> <p>We have also assessed the appropriateness of the disclosures included in the financial report.</p>

# INDEPENDENT AUDIT REPORT TO THE MEMBERS OF HORIZON MINERALS LIMITED



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORIZON MINERALS LIMITED (continued)

### ***Other Information***

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### ***Directors' Responsibility for the Financial Report***

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

### ***Auditor's Responsibility for the Audit of the Financial Report***

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/Home.aspx](http://www.auasb.gov.au/Home.aspx).

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

# INDEPENDENT AUDIT REPORT TO THE MEMBERS OF HORIZON MINERALS LIMITED



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORIZON MINERALS LIMITED (continued)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe those matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

### ***Report on the Remuneration Report***

### ***Opinion on the Remuneration Report***

We have audited the remuneration report included in the directors' report for the year ended 30 June 2020.

In our opinion the remuneration report of Horizon Minerals Limited for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

### ***Responsibilities***

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Rothsay Auditing

Dated 29 September 2020

Daniel Dalla  
Partner

# SHAREHOLDER INFORMATION

Additional information required by the Australian Stock Exchange Limited Listing Rules, and not disclosed elsewhere in this report.

## SHAREHOLDINGS

The numbers of ordinary shares held by the substantial shareholders as at 21 September 2020 were:

Michael Ruane and entities 49,947,052 9.78%

## UNQUOTED SECURITIES OPTIONHOLDINGS

Nature	Expiry Date	Exercise Price of Options	Number under Option	Number of Holders
Unlisted options	30 June 2022	12 cents	12,000,000	1
Unlisted options	30 June 2022	16 cents	12,000,000	1

The holder of the above unlisted options is Sparta AG, an unrelated party.

## CLASS OF SHARES AND VOTING RIGHTS

As at 21 September 2020 there were 3,168 holders of the ordinary shares and 1 holder of unlisted options of the Company. The voting rights attached to the shares are:

- at a meeting of members or classes of members each member entitled to vote may vote in person or by proxy or by attorney; and
- on a show of hands every person present who is a member has one vote, and on a poll every person present in person or by proxy or attorney has one vote for each ordinary share held.

## DISTRIBUTION OF SHAREHOLDERS (as at 21 September 2020)

Category			Number of Shareholders
1	–	1,000	153
1,001	–	5,000	460
5,001	–	10,000	545
10,001	–	100,000	1,515
100,001	–	over	495
<b>TOTAL HOLDERS</b>			<b>3,168</b>

The number of shareholders holding less than a marketable parcel as at 21 September 2020 was 414.

# SHAREHOLDER INFORMATION

## TWENTY LARGEST SHAREHOLDERS (as at 21 September 2020)

Rank	Name	No of Shares	% of holding
1	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	29,253,176	5.73
2	SPARTA AG	25,125,000	4.92
3	TYSON RESOURCES PTY LTD	24,588,502	4.82
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	21,504,835	4.21
5	BILL BROOKS PTY LTD <BILL BROOKS SUPER FUND A/C>	19,314,702	3.78
6	KESLI CHEMICALS PTY LTD	16,990,397	3.33
7	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	16,379,466	3.21
8	GOLDFIELDS HOTELS PTY LTD <PALACE INVESTMENT A/C>	13,259,653	2.60
9	DELPHI UNTERNEHMENSBERATUNG AKTIENGESELLSCHAFT	9,159,760	1.79
10	KESLI CHEMICALS PTY LTD <RUANE S/F A/C>	8,368,153	1.64
11	MR WILLEM RAVESTEYN + MRS ROSEMARY ANNE RAVESTEYN <THE W RAVESTEYN S/FUND A/C>	8,365,000	1.64
12	CITICORP NOMINEES PTY LIMITED	7,824,465	1.53
13	BOND STREET CUSTODIANS LIMITED <DAVKRE - D08642 A/C>	7,702,285	1.51
14	MR ASHOK PAREKH	6,720,799	1.32
15	BANKS PTY LTD	6,449,588	1.26
16	J&D BANKS PTY LTD <J & D BANKS SUPER FUND A/C>	6,335,762	1.24
17	CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	5,526,907	1.08
18	MR JONATHAN PAUL PRICE	4,500,000	0.88
19	MR GODFREY WENNESS	4,400,000	0.86
20	BOND STREET CUSTODIANS LIMITED <DARGOL - D04766 A/C>	4,389,094	0.86
<b>Top 20 holders of FULLY PAID ORDINARY SHARES (Total)</b>		<b>246,157,544</b>	<b>48.22</b>
<b>Total Remaining Holders Balance</b>		<b>264,317,656</b>	<b>51.78</b>



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