

**Mineral Resource Statement – Baden Powell**

The Mineral Resource Statement for the Baden Powell Gold Mineral Resource Estimate (MRE) was prepared by Horizon Resources during January 2022 and is reported according to the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* (the ‘JORC Code’) 2012 edition.

This maiden MRE is informed by 106 RAB, RC and Diamond drillholes for 7930m of drilling. 87% of this drilling has been undertaken by Horizon Minerals or its predecessor, Intermin Resources, between 2011 and 2021. RAB drilling comprises 12% of the drilling. RAB data was used to inform the geology model but was not used in grade estimation due to the inherent quality issues with annular return sampling. 51 RC and 4 Diamond drill hole tails inform the grade estimation.

The depth from surface to the current vertical limit of the Mineral Resources is approximately 230m with most of the resource being within 115m of the surface.

In the opinion of Horizon, the resource evaluation reported herein is a reasonable representation of the global gold Mineral Resources within the Baden Powell deposit, based on sampling data from drilling available as of 1 January 2022. The Inferred Mineral Resources comprise oxidised, transitional and fresh rock. The Mineral Resource Statement is presented in Table 9.

*Table 9 Baden Powell Mineral Resource at a 0.5 g/t Au cut-off.*

<b>Material</b>	<b>Tonnes</b>	<b>Au g/t</b>	<b>oz</b>
Oxide	75,000	1.19	2,900
Transition	61,000	1.04	2,000
Fresh	459,500	1.22	18,000
<b>Total</b>	<b>595,000</b>	<b>1.20</b>	<b>23,000</b>

Tonnages are dry metric tonnes. Minor discrepancies may occur due to rounding.

This MRE comprises Inferred Mineral Resources, which are unable to have economic considerations applied to them, nor is there certainty that further sampling will enable them to be converted to Measured or Indicated Mineral Resources.

**Competent Person’s Statement**

The information in the report to which this statement is attached that relates to the Estimation and Reporting of Gold Mineral Resources at the Baden Powell deposit is based on information compiled by Mr Stephen Godfrey, a Competent Person, who is a current Fellow of the Australian Institute of Mining and Metallurgy (FAusIMM 110542) and Member of the Australian Institute of Geoscientists (MAIG 3993).

Mr Godfrey is the Resource Development Manager for Horizon Minerals Ltd and has sufficient experience relevant to the style of mineralisation and deposit type 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 Godfrey consents to the inclusion in the report of matters based on the information in the form and context in which it appears.

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Mr Godfrey undertook a site visit to the Baden Powell deposit on 21 May 2021 to inspect the prospect and has regularly reviewed and inspected the drilling and sampling protocols and practice during Horizon Drill programs. No material issues or risks pertaining to the MRE update were identified, observed, or documented during the visit.

### **Project**

The Windanya gold project area is located along the Bardoc Tectonic Zone, ~45km north of Kalgoorlie – Boulder in the eastern goldfields of Western Australia.

The Baden Powell gold project area is a further 13km to the north of Windanya, ~60km North of Kalgoorlie-Boulder, Western Australia. The projects cover ~32km<sup>2</sup> and is situated on Mining Leases and Prospecting Licences.

The Project is located in the Broad Arrow mineral field (Mineral Field 24), within the Bardoc (3137) 1:100,000 and Kalgoorlie (SH51-09) 1:250,000 map sheet areas.

The Project area is easily accessible via the Goldfields Highway. Access to the individual tenements can be gained via numerous station and exploration tracks.

All the Project tenements are 100% owned by Black Mountain Gold Limited, a wholly owned subsidiary of Horizon.

### **Drilling Techniques**

In 1984 preliminary RAB drilling was undertaken to investigate Baden Powell. Data from this work has been used to guide geology and mineralisation models but has not been used to inform the grade estimation.

1989 555m RC drilling made the first significant intersections of the Baden Powell structure. These holes included 4 diamond tails.

Between 2011 – 2021 Horizon (originally Intermin Resources) has completed 7092m of RC drilling which comprises 87% of the drilling data used to define the resource

### **Mining**

Between 1906 to 1911, 581t of ore was mined from the Baden Powell leases at an average grade of 35.6g/t of gold.

In June 1985 trial mining of part of the main Baden Powell shear was commenced to provide a bulk sample for metallurgical evaluation. More than 5000t of ore was mined, and an ore parcel weighing 855t was shipped to Pancontinental Mining's Paddington plant for processing. The grade was reported as being between 3g/t Au and 4.51g/t Au. The ore was not processed.

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### **Sampling and Sub-Sampling Techniques**

#### **Historical Sampling**

RAB drilling used Mole Pioneer truck-mounted rig with a 350-cfm compressor was used with both drag and hammer bit capabilities. All holes were inclined at 30° to the vertical.

Drill samples were collected every two metres from a tray and split through a riffle. A 2kg sample was then placed into a pre-numbered 8 inch by 12-inch calico sample bag and sealed. Residue splits were placed into 18-inch by 24-inch UV treated plastic bags for future reference (i.e. metallurgical testing).

RC Drilling (555m) was undertaken by Westralian Diamond Drillers drilling contractors of Kalgoorlie, using a Warman truck-mounted reverse circulation drilling rig. Samples were collected over 1m intervals through a cyclone. A 2kg assay sample was cut from each 1m sample using a Johnson riffle splitter and reject sample stored in plastic bags on site.

Diamond drilling (112m NQ) undertaken by Glindemann and Kitching (G&K), diamond drilling contractors of Kalgoorlie, using a Foxmobile drilling rig. Samples for the RC/DD6 percussion pre—collar collected as described above. Diamond core was split by diamond saw and selected intervals submitted for gold assay.

#### **Horizon Sampling**

Samples are taken from the drill rig cyclone every metre and bagged. 4m composite samples are taken with an aluminium scoop from the sample spoil pile. The 1m single 'splits' were submitted for analysis if the 4m composite analysis results were above a nominal cut-off (0.2 g/t Au). RC sample weights were 1.5-2kg.

The RC chips were geologically logged over 1m intervals. Drilling intersected oxide, transitional and primary ore to a maximum downhole depth of 180m. The RC sample recovery and metreage was assessed by comparing drill chip volumes (sample bags) for individual metres. Estimates of sample recoveries are recorded.

Routine checks for correct sample depths were undertaken every RC rod (6m). RC sample recoveries were visually checked for recovery, moisture, and contamination at the time of sample discharge. Regular air and manual cleaning of cyclone was conducted to remove hung-up clays where present.

Prior to 2018 RC samples were collected from the drill rig by spearing each 1m collection bag and compiling a 4m composite sample. Single splits were automatically taken by emptying the bulk sample bag into a riffle splitter.

The RC samples collected were all predominantly dry. Exceptions were recorded on logs.

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### **Sample Analysis Method**

#### **Historical Analysis**

Early RAB samples were analysed by Fire Assay (30g) at Analabs in Kalgoorlie. Later RAB samples were analysed by B/AAS at Genalysis.

RC samples were assayed for gold by the fire assay method, with a 25g charge, by Kalgoorlie Assay laboratory (W. A.), analysts of Kalgoorlie.

Ore grade zones in drill holes RC/DD5 and RC/DD6 were re-assayed by testing a duplicate split from coarse reject and fire assaying with a 25g charge. All +5g/t intervals in these holes were additionally checked by solvent/AAS assays.

An acceptable level of correlation between original and check assays was achieved with the exception of RC/DD6, 75.0–75.5 and RC/DD5, 99.0—99.5m.

#### **Horizon/Intermin**

Analysis of RC samples for Intermin and then Horizon has been done by Intertek Kalgoorlie, SGS Kalgoorlie, and Jinnings Kalgoorlie at various times between 2011 and 2021. All laboratories have used Fire Assay with a 50g charge and AAS finish.

#### **Drill Hole Database**

A total of 106 drill holes were available over the Baden Powell area to inform the resource. 13 RAB drill holes were used to guide the geological and mineralisation interpretations but were not used in the grade estimation. 89 RC drill holes, 4 with diamond tails (RCDD) informed the geological and mineralisation interpretations. 51 RC and 4 RCDD drill holes informed the grade estimation.

#### **Geology and Geological Interpretation**

Most of the Windanya Project area occurs within greenstone rocks near the western margin of the Bardoc Tectonic Zone. The Baden Powell gold mine is the most advanced and best understood prospect within the project area.

Mineralisation is typically hosted within moderate to steep dipping shears along the contacts. Historic mining exploited narrow (0.1m – 3.0m) quartz reefs which pinch and swell along strike and dip. The northwest-trending sub-vertical shear zone which is parallel to the strike of the host rocks and may be traced for at least 3 to 4 km.

Interpretations of domain continuity were undertaken in GEOVIA Surpac™ software, with mineralisation intercepts correlating to individual domains manually. Domain interpretations used all available validated RC.

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A nominal cut-off grade of 0.3g/t Au was utilised to guide the geological continuity of the interpreted mineralisation. Within the mineralised wireframe, if an intercept fell below the nominal cut-off but continuity was supported by host lithologies, the intercept was retained for continuity purposes due to the commodity and the style of deposit. Weathering surfaces were created to model oxide, transition and fresh material types.

14 Domains were modelled. 11 domains are centred over the existing pit area with another 3 domains located 150m to 300m along strike to the north.

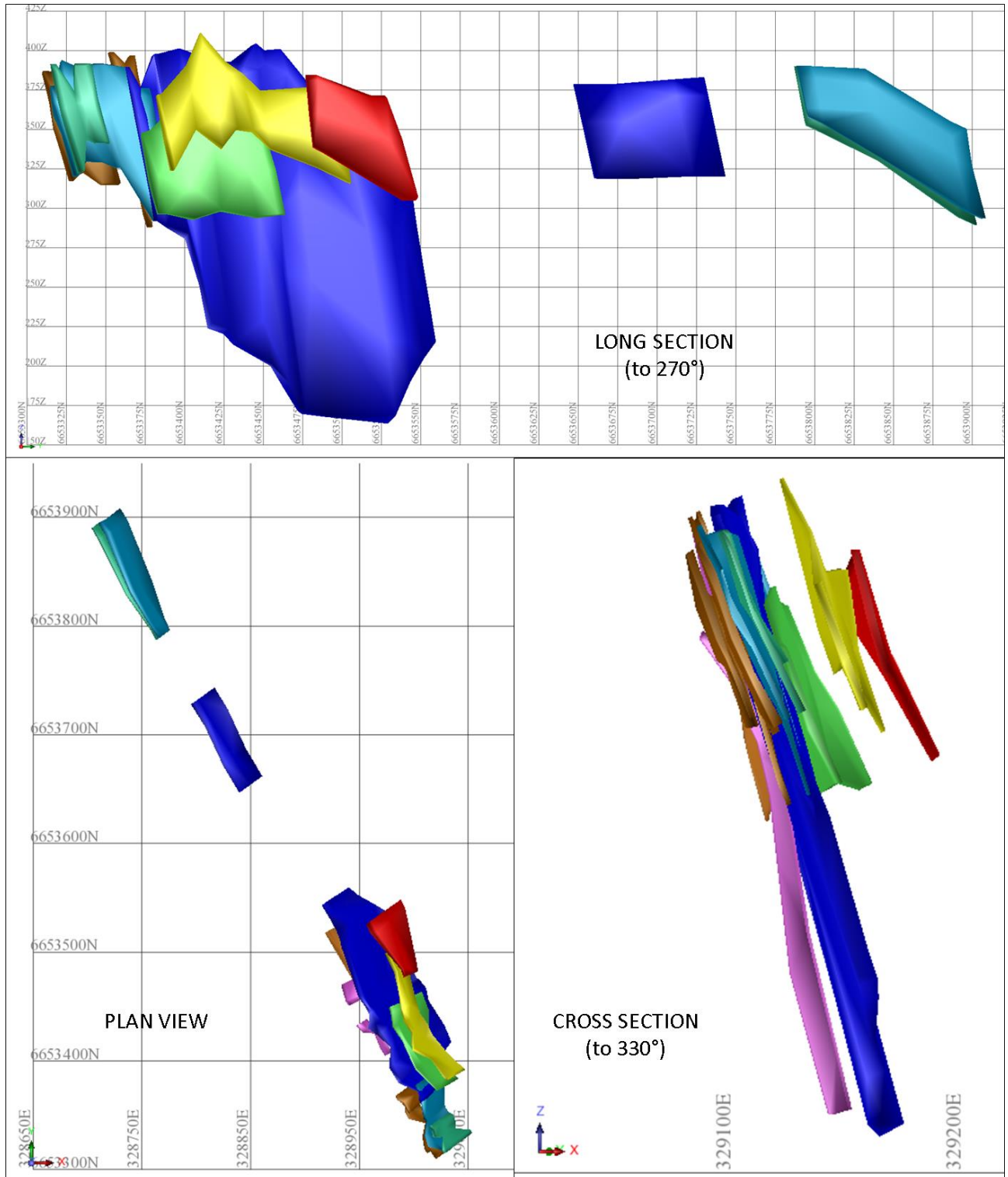


Figure 5 - Baden Powell Mineralisation

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### **Estimation Methodology**

Sample data were composited by mineralisation domain and weathering to 1m downhole lengths with a 0.3m minimum threshold on inclusions. Length weighting was applied to balance short composites during analysis and estimation.

Exploratory Data Analysis (EDA) of the composited gold variable within the mineralised domain groups was undertaken. Analysis for sample bias, domain homogeneity and top-cutting was undertaken. Analysis indicated no distinction between material types was necessary for the estimation.

Initial assessment and application of top-cutting for the estimate was undertaken on the gold variable within individual domains. Top cutting was applied to 3 domains.

Variography was undertaken on the gold variable within the largest mineralisation domains and all domains grouped together. Experimental variograms were modelled providing parameter for an Ordinary Kriged estimate.

Interpolation was undertaken using Ordinary Kriging (OK) in GEOVIA Surpac™ software within parent cell blocks. Dimensions for the interpolation were Y: 10mN, X: 10mE, Z: 10mRL, with sub-celling of Y: 1.25mN, X: 1.25mE, Z: 1.25. The model was unrotated.

A multi-pass estimation search strategy was employed, using a 70m search radius and a minimum of 4 to a maximum of 32 samples for the first pass. Subsequent passes increased the search radius and/or reduced the minimum sample requirement to ensure all blocks were estimated.

Domain boundaries represented hard boundaries, whereby composite samples within that domain were used to estimate blocks within the domain. Global and local validation of the gold variable estimated outcomes was undertaken with statistical analysis, swath plots and visual comparison (cross and long sections) against input data.

The 3D block model was coded with density, weathering and Mineral Resource classification prior to evaluation for Mineral Resource reporting.

### **Classification Criteria**

The Baden Powell resource is classified as inferred. It is anticipated that part of the resource in the vicinity of the open pit workings will be reclassified to Indicated following further analysis of the drilling data and acquisition of local bulk density data.

### **Cut Off Grade**

The Mineral Resource cut-off grade for reporting of global gold resources at the Baden Powell deposit was 0.5 g/t. Considering the grade tonnage profile of the deposit, Figure 6, and its location with respect to infrastructure and potential processing facilities a 0.5 g/t reporting cut-off is considered to represent the potentially mineable portion of the resource.

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Tonnages were estimated on a dry basis.

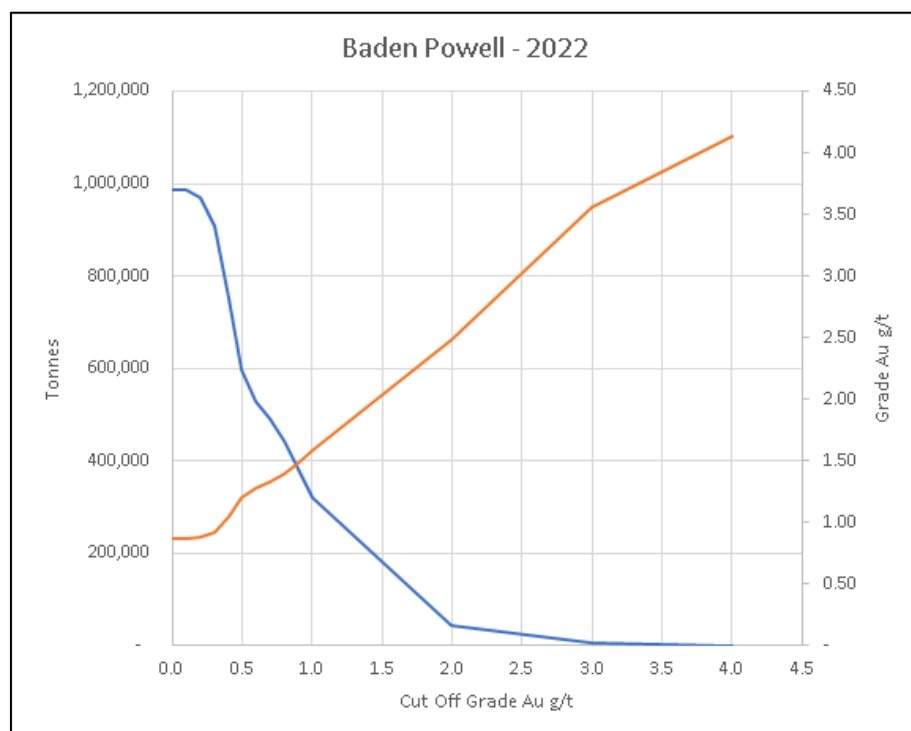


Figure 6- Baden Powell Grade Tonnage Curves

### **Bulk Density**

Horizon has not undertaken any bulk density measurement at Baden Powell. No historical data is available. The bulk density applied is based on published data for Bardoc's Zoroastrian Resource. These values are:

- Oxide 2.0 t/m<sup>3</sup>
- Transition 2.5 t/m<sup>3</sup>
- Fresh 2.9 t/m<sup>3</sup>

### **Assessment of Reasonable Prospects for Eventual Economic Extraction**

The projects are in good proximity to CIL gold processing plants, including Paddington (Norton Goldfields), Daveyhurst (Ora Banda Mining) and Lakewood (Golden Mile Milling).

Horizon considers the near surface Baden Powell resource would fall within the definition of *reasonable prospects for eventual economic extraction* within an open pit mining framework.