Mineral Resource Statement - Capricorn

The Mineral Resource Statement for the Capricorn Gold Mineral Resource Estimate (MRE) was prepared by Horizon Resources during February 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 66 RAB, RC and Diamond drillholes for 5458m of drilling. 60% of this drilling has been undertaken by Horizon Minerals in 2019 and 2021. RAB drilling comprises 10% 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. 37 RC and 3 Diamond drill hole tails inform the grade estimation.

The resource has a strike length of 520m, with five lodes 2m to 4m thick dipping 30° to the east. The depth from surface to the current vertical limit of the Mineral Resources is approximately 135m.

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 10 Capricorn Mineral Resource at a 0.5 g/t Au cut-off.

Material	Tonnes	Au g/t	Oz Au
Oxide	313,100	1.23	12,400
Transition	138,800	1.24	5,500
Fresh	207,400	1.13	7,500
Total	**659,300**	**1.20**	**25,500**

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 Indicated or Measured 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 Capricorn 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.

Mr Godfrey undertook a site visit to the Capricorn 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 Capricorn gold project is part of Horizon's Windanya gold project area is located along the Bardoc Tectonic Zone, ~45km north of Kalgoorlie – Boulder in the eastern goldfields of Western Australia. The Windanya projects cover ~32km2 and is situated on Mining Leases and Prospecting Licences.

The Projects are 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 areas 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 1986 to 1988 RC drilling was undertaken by Aberfoyle and BP Minerals. 4 Diamond tails were also drilled (521m). Vertical drilling was done by Stanley Mining Services with a Schramm T64 producing a 100mm drill hole. Angled holes were drilled by Glenn Drilling with a VK600 (4.5 inch) and a VK900. In 1988 BP drilling undertook a 5.5inch RC program drilling 5.5inch angled holes. NQ Diamond tails were drilled with a Longyear 44.

Preliminary drill orientation was done by clinometer and/or plumbell. Done hole surveys were taken with an Eastman single shot camera.

In 1993 Mount Edon Gold Mines use Challenge Drilling to drill eight RAB holes at Capricorn.

Historical holes were drilled on a local grid and transformed to MGA94 zone51

Horizon Drilling drilled 36, 146mm RC drill holes at Capricorn in 2019 using Jarafire Drilling (Schramm 685, T685WS) and Red Rock Drilling (rig 1), Two further RC holes were drilled in 2021 by Goldfields Drilling.

Horizon drilling laid out by hand-held GPS and located post drilling by Arvista Surveyors (DGPS) in MGA94 zone 51

Mining

No Mining has been undertaken at Capricorn. Three kilometres north, along strike, is the Eureka pit previously mined by Australian company West Coast Holdings Ltd during 1985 and 1986, and Tyranna Resources in 2018.

Sampling and Sub-Sampling Techniques

Historical Sampling

All RC sampling has been done at 1m intervals with 4m composite samples (spear or scoop) submitted for preliminary analysis. Any sample returning a composite grade greater than a threshold (0.2 g/t Au) had the 1m samples submitted for analysis.

Diamond core was sawn in half with one half sent for analysis.

MEGM RAB drilling took 4m composites for preliminary analysis.

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 155m. 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.

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

Sample Analysis Method

Historical Analysis

Aberfoyle RC samples used 50gm fire assay by Sheen Analytical Services (SAS) of Kalgoorlie for analysis of 4m composite samples and 1m samples were sent to Classic Laboratories Perth for 50gm fire assay.

Diamond core was sawn in half with one half assayed for Au only at Classic Comlabs in Kalgoorlie using a 50gm charge Fire Assay (AAS? finish).

MEGM RAB composites were sent to Genalysis Laboratory Services in Perth for Aqua Regia digest with AAS finish analysis (Au only).

Horizon

Analysis of Horizon RC samples from 2019 has been done by SGS Kalgoorlie using a 50g charge Fire Assay with an AAS finish (FA505).

RC samples from 2021 were analysed by Jinnings in Kalgoorlie a 50g charge Fire Assay with an AAS finish (FA50A).

All analyses have been for Au only.

Drill Hole Database

A total of 66 drill holes were available over the Capricorn area to inform the resource. 8 RAB drill holes were used to guide the geological and mineralisation interpretations but were not used in the grade estimation.

58 RC drill holes (RC), 4 with diamond tails (RC/DD) informed the geological and mineralisation interpretations. 44 RC and 4 RC/DD drill holes informed the grade estimation.

Geology and Geological Interpretation

The geology of the area consists of an Archaean greenstone belt, part of the Norseman-Wiluna Belt, which lies between two granite masses. The major Archaean rock types are basalt, dolerite, ultramafics (komatiite and peridotite) and sediments (shale, siltstone, graywacke and conglomerate). The greenstone belt is cross-cut by east-west trending Proterozoic dolerite/gabbro dykes.

The stratigraphy at Capricorn consists of a series of altered tholeiitic and ultramafic lavas. The ultramafics are represented by strongly foliated talc-chlorite-tremolite-ilmenite schists. The sequence dips at 50° to the east

A well developed graphite bearing shear zone dips at 30° to 105° to the east. A trial MMR (resistivity) survey in October 1986 confirmed this attitude. This shear zone is the structural feature that hosts the Capricorn mineralization.

5 mineralised domains were modelled over a strike length of 520m. striking 005° dipping 45° to the east

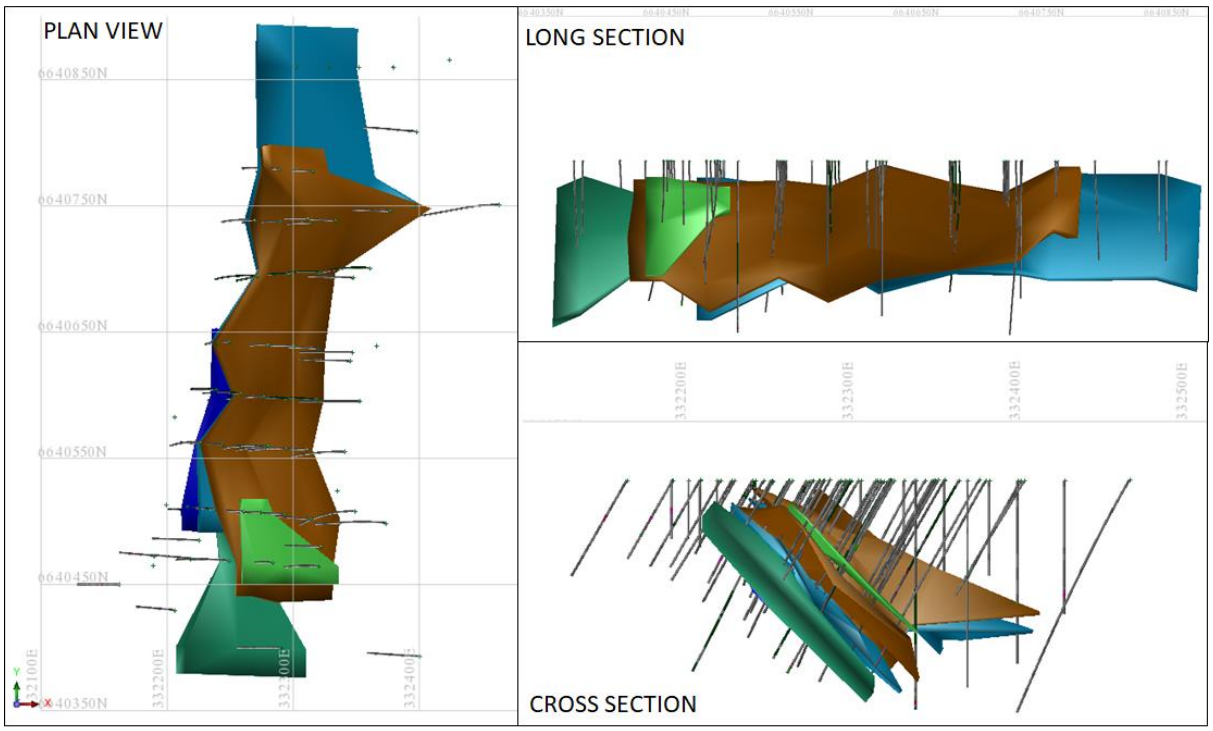

Figure 7 - Capricorn Mineralised Domains

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 grouped domains. Top cutting was applied at 6 g/t Au.

Experimental variograms were generated for the grouped domains. The experimental variograms showed poor structure and were not modelled.

Interpolation was undertaken using an Inverse Distance algorithm (ID^2) in GEOVIA Surpac™ software within parent cell blocks. Dimensions for the interpolation were Y: 10mN, X: 10mE, Z: 5mRL, with sub-celling of Y: 1.25mN, X: 1.25mE, Z: 0.625. The model was unrotated.

A multi-pass estimation search strategy was employed, using a 40m 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 Capricorn resource is classified as inferred. The project is at an early stage of development with further drilling, data analysis and acquisition of local bulk density data required in the short term.

Cut Off Grade

The Mineral Resource cut-off grade for reporting of global gold resources at the Capricorn 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.

Tonnages were estimated on a dry basis.

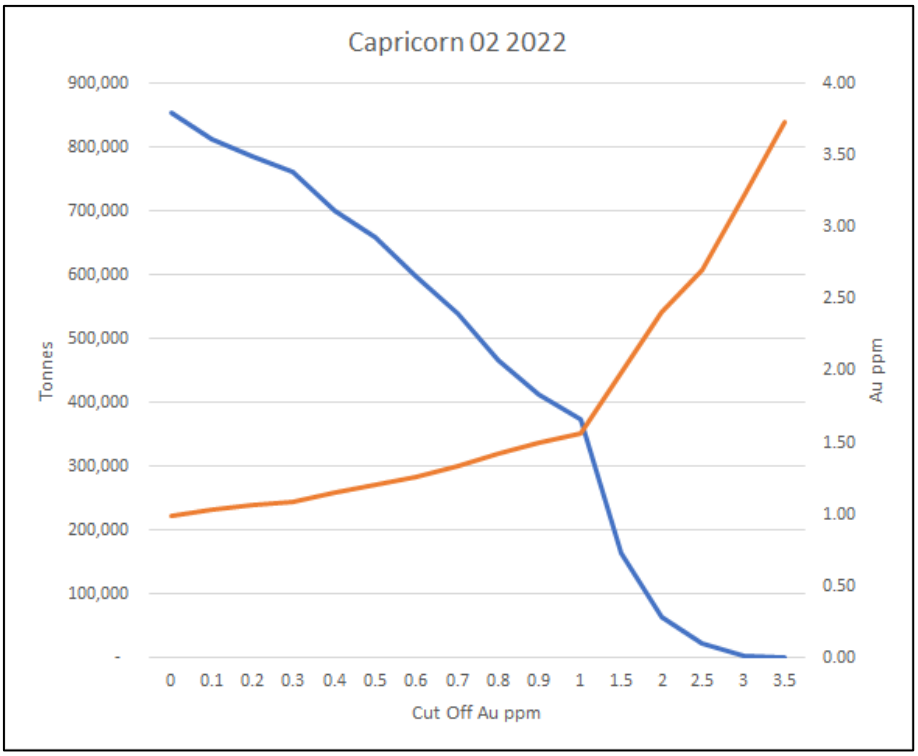

Figure 8- Capricorn Grade Tonnage Curves

Bulk Density

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

- Oxide 2.0 t/m^3
- Transition 2.5 t/m^3
- Fresh 2.9 t/m^3

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 Capricorn resource would fall within the definition of *reasonable prospects for eventual economic extraction* within an open pit mining framework.