



Horizon Gold Limited
ABN:27 614 175 923

Interim Report for the period ended 31 December 2023

Horizon Gold Limited

Interim Financial Report For the period ended 31 December 2023

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The financial statements in this interim financial report are for Horizon Gold Limited and its wholly owned subsidiary Gum Creek Gold Mines Pty Ltd.

The interim financial report is presented in Australian dollars.

Horizon Gold Limited is a Company limited by shares, incorporated and domiciled in Australia.

The Company's registered office is:

Horizon Gold Limited
Suite 8, 47 Havelock Street
West Perth WA 6005

Directors' Report

The directors present their report on the consolidated entity consisting of Horizon Gold Limited (or "the Company") and the entity it controlled at the end of, or during, the interim period ended 31 December 2023 ("the Group").

Directors

The names of the directors of the Company during the period and until the date of this report are as below. Directors were in office for the entire interim period unless otherwise stated.

Peter Sullivan

Leigh Ryan

James Sullivan

Dugald Morrison

Peter Venn

Company secretary

Trevor O'Connor

Operating and Financial Review

Operating Result for the Period

The Group recorded a loss after tax for the interim period ended 31 December 2023 of \$1,117,000 (2022: \$679,000).

The results, in comparison to the previous corresponding period, reflect the following significant changes:

- capitalised exploration expenditure written off of \$223,000 (2022: Nil)
- a loss on the remeasurement of the rehabilitation provision liability of \$119,000 (2022: \$250,000);
- finance costs of \$334,000 (2022: \$198,000)

Review of operations

Exploration and Evaluation Activities

The tenements comprising the Gum Creek Gold Project are at various stages of exploration and evaluation.

During the reporting period Horizon Gold Limited (the Company) commenced a scoping study (Study) on the Gum Creek Project near surface open pit gold resources. The Study is assessing the potential to recommence production through a processing plant located at the previously permitted Gidgee mill site using open pit portions of the current free milling gold resource (32.97Mt @ 1.22g/t Au for 1.30Moz). The Study is based on current free milling Whittle optimised in-pit gold resources and is considering 2Mt to 3Mt per annum processing throughputs supported by different mining schedules and economic cut-off grades, using established infrastructure wherever possible and evaluating the use of renewable power options as well as local grid power. The Study is scheduled for completion Q1 CY2024.

Corporate Activities

On 19 July 2023 the Company acquired 60,759,746 shares in Alto Metals Limited (ASX: AME) for \$3.17 million which was funded via a short-term loan facility from a subsidiary company of Horizon's major shareholder Zeta Resources Limited.

On the 11 September the Company secured a further \$300,000 short-term loan facility for working capital from a subsidiary company of Horizon's major shareholder Zeta Resources Limited.

The above loan facilities were unsecured, had an interest rate of 8.0% per annum, and were repayable by no earlier than 31 December 2023.

On 4 October 2023, the Company announced a 1 for 5 Renounceable Entitlement Issue ("the Issue") at \$0.30 per share, to raise approximately \$7,500,000. The Company received acceptances for \$5,897,485 in respect to 19,658,282 shares, representing a 79% take up of the Issue. As part of the Application and Issue process the Company also repaid in full (through offset) the short-term loans mentioned above including interest to the value of \$4,059,028 to the subsidiary company of Horizon's major shareholder, Zeta Resources Limited. As such net proceeds from the Entitlement issue after repayment of the loan and interest was \$1,838,457 before costs.

Other than the above there were no significant corporate activities that occurred during the interim period ended 31 December 2023.

Interim Dividend

No interim dividend was or has been declared for the period ended 31 December 2023 (2022: Nil).

Subsequent events

No matters or circumstances have occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial periods.

Rounding

The amounts contained in this report and in the interim financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the Company under *Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, dated 24 March 2016.

Auditor's Independence Declaration

A copy of the auditor's independence declaration is set out on page 5.

Signed in accordance with a resolution of the directors.



Peter Sullivan
Chairman
Perth, 5 March 2024

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Horizon Gold Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.



Perth, Western Australia
5 March 2024

B G McVeigh
Partner

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Horizon Gold Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Horizon Gold Limited ("the Company") and its controlled entities ("the Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes, and the directors' declaration, for the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Horizon Gold Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(d) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
5 March 2024



B G McVeigh
Partner

In accordance with a resolution of the directors of Horizon Gold Limited, I state that:

In the directors' opinion:

- (a) the interim financial statements and notes of Horizon Gold Limited for the interim period ended 31 December 2023:
 - (i) gives a true and fair view of the group's financial position as at 31 December 2023 and of its performance for the interim period ended on that date; and
 - (ii) complies with Accounting Standard AASB134: *Interim Financial Reporting*; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Peter Sullivan

Chairman

Perth, 5 March 2024

Horizon Gold Limited
Condensed consolidated statement of comprehensive income
For the interim period ended 31 December 2023

		Consolidated Period ended	
	Notes	31 December 2023 \$'000	31 December 2022 \$'000
Revenue from continuing operations			
Other income		23	96
Care and maintenance expenses		(28)	(4)
Corporate and administration costs		(399)	(303)
Gain / (loss) on remeasurement of rehabilitation provision		(119)	(250)
Exploration expenditure written off		(223)	-
Share-based payments		(16)	-
Right of use amortisation		(21)	(20)
Finance costs	3	(334)	(198)
Loss before income tax		(1,117)	(679)
Loss for the period		(1,117)	(679)
Other comprehensive income			
Loss on the revaluation of equity instruments at fair value through other comprehensive income net of tax		(557)	-
Other comprehensive income / loss for the period, net of tax		(557)	-
Total comprehensive loss for the period		(1,674)	(679)
Loss for the half year is attributable to:			
Owners of Horizon Gold Limited		(1,117)	(679)
Total comprehensive loss for the half year is attributable to:			
Owners of Horizon Gold Limited		(1,674)	(679)
		Cents	Cents
Loss per share attributable to the ordinary equity holders of the Company:			
Basic and diluted loss per share		(0.9)	(0.5)

The above consolidated income statement should be read in conjunction with the accompanying notes.

Horizon Gold Limited
Condensed consolidated statement of financial position
As at 31 December 2023

	Notes	Consolidated 31 December 2023 \$'000	30 June 2023 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	4	1,512	238
Trade and other receivables		27	31
Prepayments		11	35
Total current assets		1,550	304
Non-current assets			
Property, plant and equipment		3,991	3,991
Financial assets at fair value through other comprehensive income	5	2,613	-
Right of use assets		21	41
Exploration and evaluation	6	37,179	36,411
Total non-current assets		43,804	40,443
Total assets		45,354	40,747
LIABILITIES			
Current liabilities			
Trade and other payables		319	279
Lease liabilities		21	41
Provisions		33	29
Total current liabilities		373	349
Non-current liabilities			
Provisions	7	11,949	11,593
Total non-current liabilities		11,949	11,593
Total liabilities		12,322	11,942
Net assets		33,032	28,805
EQUITY			
Contributed equity	8	51,996	46,111
Reserves	9	(247)	294
Accumulated losses		(18,717)	(17,600)
Total equity		33,032	28,805

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Horizon Gold Limited
Condensed consolidated statement of changes in equity
For the interim period ended 31 December 2023

Consolidated	Contributed equity \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance 1 July 2023	46,111	294	(17,600)	28,805
Loss for the period	-	-	(1,117)	(1,117)
Other comprehensive income for the year, net of tax	-	(557)	-	(557)
Total comprehensive loss for the period	-	(557)	(1,117)	(1,674)
Issue of shares – rights issue	5,897	-	-	5,897
Transaction costs	(12)	-	-	(12)
Share based payments	-	16	-	16
Balance at 31 December 2023	51,996	(247)	(18,717)	33,032

Consolidated	Contributed equity \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance 1 July 2022	45,632	294	(15,458)	30,468
Loss for the period	-	-	(679)	(679)
Total comprehensive loss for the period	-	-	(679)	(679)
Issue of shares – rights issue shortfall	517	-	-	517
Transaction costs	(38)	-	-	(38)
Balance at 31 December 2022	46,111	294	(16,137)	30,268

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Horizon Gold Limited
Condensed consolidated statement of cash flows
For the interim period ended 31 December 2023

		Consolidated Period ended	
	Notes	31 December 2023 \$'000	31 December 2022 \$'000
Cash flows from operating activities			
Payments to suppliers and employees		(531)	(482)
Rent and other income received		11	20
Interest received		12	5
Interest paid		(1)	(1)
Net cash outflow from operating activities		(509)	(458)
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		(823)	(4,242)
Payments for investments		(3,169)	-
Repayment of loans from related parties		-	4,200
Net cash outflow from investing activities		(3,992)	(42)
Cash flows from financing activities			
Proceeds from issue of shares	10	1,838	517
Transaction costs related to issue of shares		(12)	(41)
Repayment of lease liability		(20)	(20)
Proceeds from borrowings from related parties		3,969	-
Net cash inflow from financing activities		5,775	456
Net increase / (decrease) in cash and cash equivalents		1,274	(44)
Cash and cash equivalents at the beginning of the financial period		238	211
Cash and cash equivalents at end of the period	4	1,512	167

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1 Basis of Preparation of interim financial report

The interim financial report of Horizon Gold Limited (the Company) for the period ended 31 December 2023 was authorised for issue in accordance with a resolution of the Directors on 5 March 2024.

Horizon Gold Limited is a for-profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

The interim financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the annual financial report.

The interim financial report should be read in conjunction with the annual financial report of Horizon Gold Limited as at 30 June 2023.

It is also recommended that the interim financial report be considered together with any public announcements made by Horizon Gold Limited and its controlled entity during the period ended 31 December 2023 in accordance with the continuous disclosure obligations arising under ASX listing rules.

(a) Basis of preparation of interim financial report

The interim financial report is a condensed general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 *Interim Financial Reporting*. The interim financial report has been prepared on a historical cost basis. For the purpose of preparing the interim financial report, the half-year has been treated as a discrete reporting period.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated, under the option available to the Company under Australian Securities and Investment Commission ("ASIC") (Rounding in Financial/Directors' Report) Instrument 2016/191. The Company is an entity to which the instrument applies.

(b) Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the interim financial report are consistent with those adopted and disclosed in the Group's annual financial report for the year ended 30 June 2023, except for the adoption of new standards and interpretations as of 1 July 2023.

The adoption of any new and revised standards and interpretation effective 1 July 2023 has not resulted in any changes to Group's accounting policies and has no material effect on the amounts reported to the current or prior period.

In addition the following accounting policy note is disclosed, as it is now relevant for the first time and has not been disclosed in the previous annual financial report of Horizon Gold Limited as at 30 June 2023 as it was not applicable then:

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

(c) New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. There is no material effect on the group expected, when they are eventually implemented.

(d) Going concern basis

The Group incurred a net loss for the period ended 31 December 2023 of \$1,117,000 (2022: \$679,000) and a net cash outflow from operating activities of \$509,000 (2022: \$458,000). As at 31 December 2023, the Group had cash and cash equivalents of \$1,512,000 (30 June 2023: \$238,000) and a working capital surplus of \$1,177,000 (30 June 2023: working capital deficit of \$45,000).

Based on the Group's cashflow forecast, the Group will require additional funding in the next 12 months to enable the Group to continue its normal business activities and to ensure the realisation of assets and extinguishment of liabilities as and when they fall due, including progression of its exploration and project development activities and meeting its annual tenement expenditure commitment.

The directors are satisfied that at the date of signing of the financial report, there are reasonable grounds to believe that the Group will be able to raise additional funding and obtain support from the Company's major shareholder to continue to meet its debts as and when they fall due and it is appropriate for the financial statements to be prepared on a going concern basis.

Should the Group not achieve the funding outcomes set out above, there is a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. No adjustments have been made relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

2 Segment information

Description of segments

The Group operates in one segment, being gold exploration. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Group.

The accounting policies applied for internal reporting purposes are consistent with those applied in preparation of the financial statements.

All of the Group's assets are located in Australia and the Group has no major customers as it does not generate any revenue.

3 Loss for the interim period

	Consolidated Period ended	
	31 December 2023	31 December 2022
	\$'000	\$'000
Loss before income tax includes the following specific expenses:		
Share based payment expense	16	-
Exploration expenditure written off	223	-
Finance costs		
Interest on short-term loans	100	-
Interest on leased assets	1	1
Unwinding of discount - rehabilitation	233	197
	334	198

4 Current assets - Cash and cash equivalents

	Consolidated	
	31 December	30 June
	2023	2023
	\$'000	\$'000
Cash at bank and on hand	1,512	238
	1,512	238

5 Non-current assets - Financial assets at fair value through other comprehensive income

Listed ordinary shares	2,613	-
	2,613	-
Opening net book amount at the beginning of the period	-	-
Additions	3,170	-
Revaluation decrements	(557)	-
Closing net book value at the end of the period	2,613	-

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

6 Non-current assets - Exploration and evaluation

	Consolidated	
	31 December	30 June
	2023	2023
	\$'000	\$'000
Opening net book amount at the beginning of the period	36,411	31,767
Additions	991	4,646
Capitalised exploration and evaluation expenditure written off	(223)	(2)
Closing net book value at the end of the period	37,179	36,411

The carrying value of exploration and evaluation expenditure has increased by \$991,000 during the current reporting period due to costs incurred in relation to Gum Creek scoping study, engineering and geotechnical consulting services, gold estimation work and structural analysis of the Swan-Swift area and ongoing tenement rents and rates. See further details outlined in the "Exploration and Evaluation Activities" section of the Directors' Report. The ongoing carrying value of the Group's interest in exploration and evaluation expenditure is dependent upon the continuance of the Group's rights to tenure of the areas of interest, results of future exploration and the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

7 Non-current liabilities - Provisions

	Consolidated	
	31 December	30 June
	2023	2023
	\$'000	\$'000
Employee benefits – long service leave	7	4
Rehabilitation	11,942	11,589
	11,949	11,593
Movement in Rehabilitation Provisions:		
Opening net book amount at the beginning the period	11,589	10,464
Unwinding of discount	234	394
Remeasurement of liability	119	731
Closing net book value at the end of the period	11,942	11,589

A provision for rehabilitation is recognised in relation to the mining activities for costs such as reclamation, waste site closure, plant closure and other costs associated with the rehabilitation of a mining site. Estimates of the rehabilitation are based on the anticipated technology and legal requirements and future costs, which have been discounted to their present value. In determining the restoration provision, the entity has assumed no significant changes will occur in the relevant Federal and State legislations in relation to rehabilitation of such mines in the future.

Impact from the remeasurement of the rehabilitation liability has been recognised through the profit or loss given that the plant and equipment relating to this provision has been written down to its recoverable value.

8 Contributed equity

(a) Ordinary share capital

	Consolidated	
	31 December	30 June
	2023	2023
	\$'000	\$'000
Issued share capital	51,996	46,111
Total contributed equity	51,996	46,111

(b) Movements in ordinary share capital

	31 December	31 December	30 June	30 June
	2023	2023	2023	2023
	Shares	\$'000	Shares	\$'000
Opening balance	125,181,641	46,111	123,705,039	45,632
Add: Issue of shares				
- Rights Issue	19,658,282	5,897	-	-
- Rights Issue Shortfall	-	-	1,476,602	517
Less: Transaction costs	-	(12)	-	(38)
Closing balance	144,839,923	51,996	125,181,641	46,111

On the 13 November 2023 the Company issued 19,658,282 shares in relation to 1 share for every 5 shares Rights Issue at 30 cents each.

9 Reserves

	Consolidated	
	31 December	30 June
	2023	2023
	\$'000	\$'000
Financial assets at fair value through other comprehensive income reserve	(557)	-
Share Based Payment Reserve	310	294
	247	-

Financial assets at fair value through other comprehensive income reserve

The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

Share based payment reserve

The share based payment reserve records the value of share options issued to Horizon's employees and consultants.

Movements in Reserves:

Consolidated	Financial assets at fair value through OCI \$'000	Share based payment reserve \$'000	Total \$'000
Opening Balance at beginning 1 July 2022	-	294	294
Balance 30 June 2023	-	294	294
Revaluation of listed ordinary shares	(557)	-	(557)
Share based payment expense for the period		16	16
Balance 31 December 2023	(557)	310	247

10 Non-cash investing and financing activities

	Consolidated	
	31 December	31 December
	2023	2022
	\$'000	\$'000
Total applications for shares in entitlement issue	5,897	-
Less loan offset	(3,969)	-
Less interest offset	(90)	-
Net Proceeds from issue of shares (as per statement of cashflows)	1,838	-

As part of the application and issue process for the Company's Rights Issue that closed in November 2023 (see Note 8 (b) for further details) the Company accepted \$4,059,028 in application funds from the Company's major shareholder Zeta Resources Limited in offset of repaying in full the short-term loans (\$3,969,266) and interest (\$89,762) totalling \$4,059,028 in value.

11 Share based payments

	Consolidated	
	31 December	31 December
	2023	2022
	\$'000	\$'000
Share Based Payment expense	16	-
	16	-

Following shareholder approval Leigh Ryan (Managing Director) was issued 1,500,000 options over unissued ordinary shares as part of his remuneration package. The fair value of the Options was determined using the Black-Scholes option valuation methodology and applying the following inputs:

Grant Date	Issue Date	Exercise Price	Expiry Date	Risk Free Rate	Volatility	Fair Value per Option
23 Nov 2023	23 Nov 23	\$0.33	23 Nov 26	4.14%	40.82%	\$0.0796

The Options vest after 12 months of continuous employment or in the event of a change of control.

In addition, Trevor O'Connor (Company Secretary) was also issued 400,000 options over unissued ordinary shares on the same date. The fair value of the Options was determined using the Black-Scholes option valuation methodology and applying the same inputs as in the table above. The Options vest after 12 months of continuous engagement as Company Secretary or in the event of a change of control.

12 Dividends

No final dividend was declared for the period ended 31 December 2023 (2022: nil).

13 Contingencies

The Group had no contingent liabilities at 31 December 2023 (2022: nil).

14 Events occurring after the reporting period

No other matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial periods.

15 Financial Instruments

The fair value of financial assets and financial liabilities of the Group approximate their carrying amount.

16 Related party transactions

On 19 July 2023 the Company acquired 60,759,746 shares in Alto Metals Limited (ASX: AME) for \$3.17 million which was funded via a short-term loan facility from a subsidiary company of Horizon's major shareholder Zeta Resources Limited.

On the 11 September the Company secured a further \$300,000 short-term loan facility for working capital from a subsidiary company of Horizon's major shareholder Zeta Resources Limited.

The above loan facilities were unsecured, had an interest rate of 8.0% per annum, and were repayable by no earlier than 31 December 2023.

As part of the application and issue process for the Company's Rights Issue that closed in November 2023 (see Note 8 (b) for further details) the Company accepted \$4,059,028 in application funds from the Company's major shareholder Zeta Resources Limited in offset of repaying in full the short-term loans mentioned above (\$3,969,266) and interest (\$89,762) totalling \$4,059,028 in value.

On the 23 November 2023 following shareholder approval, 1,500,000 Options with an exercise price of \$0.33 and expiry date of 23 November 2026 were issued to the Company's Managing Director Leigh Ryan. The Options vest after 12 months of continuous employment or in the event of a change of control. Refer to Note 11 for further details.

Other than as disclosed above, transactions with related parties during the half-year were on the same basis as stated in the 30 June 2023 Annual Report.